

The NATIONAL UNDERWRITER

Everybody
loves the
Fire Department



When smoke is rolling and fire is crackling, the sirens of fire engines are a welcome sound. Nobody is ever "too busy" to see the fireman.

Why shouldn't people be just as glad to welcome the insurance agent *before* a disaster strikes? Why aren't they as eager to get protection as they are to get help when it may be too late?

Our new advertising campaign, which starts in June, aims to open doors wider for your selling efforts. It reminds millions of magazine readers that your expert advice and counsel can save them money . . . that you are the man who can give them the best buy for their insurance dollars.

For a long time you've been the leading man in North America's advertising. Now you're going to play an even bigger part in it—another demonstration of our established policy of giving our agents full support and co-operation.



INSURANCE COMPANY OF
NORTH AMERICA
COMPANIES, Philadelphia

Insurance Company of North America, founded 1792 in Independence Hall, is the oldest American stock fire and marine insurance company. It heads the "North America" Companies which meet the public demand for practically all types of Fire, Marine, Automobile, Accident, Aviation and Liability insurance; Fidelity and Surety Bonds. Sold only through Agents or Brokers.

Insurance Company of North America
Indemnity Insurance Company of North America
Philadelphia Fire and Marine Insurance Company

THURSDAY, JUNE 15, 1950



NO DIFFERENT than the greedy farmer who killed the goose that was laying the golden eggs are the "economic planners" who are bent on taxing private productive capital out of existence. Unless this trend is checked, all capital will become concentrated in government . . . and free enterprise and individual liberty will be as dead as the farmer's goose.

In the words of Chief Justice John Marshall, "The power to tax involves the power to destroy."



Fireman's Fund Group
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Yield Test Strengthened Further by State Officials

QUEBEC — The yield test for special revenue bonds and corporate bonds for 1950 annual statement purposes, will be rendered still more conservative by National Assn. of Insurance Commissioners at the annual meeting here if, as is expected, the report of the securities valuation committee is adopted.

The yield test is applied to determine whether such bonds are eligible for amortization in the usual statement if they do not meet the so-called rating test. The latter requires that a bond on June 1, 1950, shall be included in any of the four highest grades of any two recognized rating agencies.

Failing to meet the rating test, a bond will still be eligible for amortization if the yield to maturity based on Dec. 1, 1949, association values does not exceed 1.70% and based on Dec. 31, 1950, values, does not exceed 1.50% plus the yield for comparable maturities of fully taxable unrestricted U. S. government treasury obligations at the respective dates.

The committee in its report said that the lowering of the factor in the yield test to 1.50% from 1.70% was prompted by the committee's determined policy resolved at its meeting on May 17, 1949, at which time plans for the adoption of a more conservative approach to the determination of eligibility for amortization of bonds were adopted.

Progression Is Shown

The factor has been made progressively more conservative throughout the years. In 1944 it was 2.9%, the next year 2.1 and then for three years, it was 1.8. The next move was to 1.7 and now to 1.5.

The new test is not expected to cause any major problems for companies, as it will put beyond the amortizable pale, only a handful of additional securities.

A 1.6% factor would have made virtually no change whereas on the other hand a jump to 1.4% was regarded as too drastic for the one year period.

The yield test in the near future may be discarded. The subcommittee intends to meet in early 1951 to reconsider the whole question of security valuation and the various programs which the committee staff has been discussing and developing. The practicability of continuing the use of the "yield test" or the adoption of some other means of judging the value and eligibility of securities will be discussed.

The subcommittee added to the instructions to companies the words "or capital readjustments" to follow the words "under reorganizations" in the section for determining the amortized values of bonds received by those processes.

Canadian Problems

Two problems affecting Canada are scheduled to be taken up here. One has to do with the computation of values on foreign bonds eligible for amortization. The industry committee on blanks had recommended a change in the wording of the paragraph concerning the carrying of Canadian assets and assets payable in foreign currency which can be disposed of in a foreign country and applied to discharged liabilities outstanding against it. The change suggested was that the words "not admitted assets" be deleted and the words "reserve liability" be substituted for them. The subcommittee temporarily tabled this suggestion at its May meeting.

The second problem was the suggestion of various insurers that loans secured by first liens on interest in oil and gas producing properties in Canada be admitted under the formula for determining allowable values. At the May meeting action was deferred on this suggestion pending review and study of the fiscal policies and regulations of the

Canadian government with regard to development and exploration of its oil reserves. That report was scheduled to be forwarded to committee members when prepared. The future of this proposal is in doubt. Though an extension to Canadian oil producing properties might not be objectionable, it is understood that some feel that action should be taken against allowing it to go further and cover loans on oil in the Middle East, the East Indies, or elsewhere.

New Pension Plan

Adoption of a pension plan submitted by Union Central Life on full time employees of the committee was approved by the subcommittee and action was to be taken on it here. The effective date of the plan was June 1.

No action was taken at the May meeting on the valuation of notes of the Bartels Brewing Co., and Doeskin Products. An attorney was appointed to study the problem, the solution of which is important in the Rhode Island Ins. Co. dispute. A report was expected from him at Quebec.

Explanatory Booklet

The committee has prepared a 16-page booklet describing its activities and has sent copies of it to all insurance departments. Copies are now also enroute to all companies. The booklet has a heavy paper cover and includes photographs of the committee's new expanded offices.

In the introduction to the brochure which was printed to explain the functions of the committee and for which an expenditure of \$1,000 was authorized, the committee comments on the development of direct placements, some of them unsecured, and other deviations including tanker loans, subordinated debentures.

(CONTINUED ON PAGE 27)

Take Up Firemen & Mechanics Receivership

INDIANAPOLIS—Hearing is to be held June 21 before Judge Higgins in Marion county court here on the petition of the attorney general and the insurance department for receivership for Firemen & Mechanics of Fort Wayne. This is one of the special charter companies of Indiana that is subject to only very sketchy supervision. Commissioner Viehmann contends that it had a 100-year charter and that its century has come and gone, while the company is maintaining that the charter is perpetual.

The receivership petition came in the form of an intervention by Mr. Viehmann in a suit by Firemen & Mechanics against the secretary of state to compel the state authorities to accept F. & M. policies in satisfaction of auto financial responsibility law requirement. Judge Higgins not only denied F. & M. such an order but he set a date for a hearing on receivership.

Another special charter company is also in the court. It is Midwest Ins. Co., which is now in the hands of H. B. Landwehr of St. Louis. Midwest has petitioned the court for an order compelling the state to take its policies under the responsibility law. This case is also before Judge Higgins.

Discipline Puts Curbs on N.A.I.C. Leaders; Forbes

President Says Need Is for 49 Leaders Working in Harmony

QUEBEC — David Forbes of Michigan, in his presidential address at the convention here of National Assn. of Insurance Commissioners, developed the theory that there is no place in N.A.I.C. for a "so-called leader who makes decisions beyond his constituted authority; nor should any individual be authorized to speak for it on any subject prior to the presentation of the subject before this organization for decision. No, what this convention must have are 49 leaders, working in harmony, but not necessarily in unison."

The president of N.A.I.C. should not be a spokesman for the organization unless the association has previously acted on the subject and authorized the president to speak, he asserted. The president is merely authorized to appoint committees and preside over the general sessions. Mr. Forbes said he has been asked to express N.A.I.C. views on certain controversial matters, none of which had been debated and brought to a decision by this organization. Hence he has had to insist that his opinions were personal to him. Mr. Forbes said he desired to speak on this subject "to clarify any impression that members of the press, the public or the industry may have as to the lack of leadership in this association."

Cites Year's Accomplishments

Mr. Forbes cited as the main accomplishments of the past year, the getting of federal trade commission to delete reference to insurance companies from the proposed rules on installment sales of automobiles and the setting up of the assistant secretary's office at Chicago and the employment of Hugh Tolkack for the position.

He said at all times he has preached that commissioners must strive for uniformity in rulings that are imposed upon insurers and must simplify and standardize the requirements that are placed upon insurance. N.A.I.C. is the best medium to accomplish these objectives. There is no public demand for federal regulation and never will be, he said, so long as commissioners remain honest and conscientious, fair and reasonable and alert in safeguarding the public interest.

1,800 Hopefuls Take 3,100 Examinations for C.P.C.U.

Reports from the 112 examination centers indicate that some 1,800 persons took the recent C.P.C.U. examinations. More than 3,100 examinations were taken in one or more of the five parts.

Examinees included men and women from 42 states, the District of Columbia and Hawaii. Last year, 1,291 persons took 2,194 examinations.

The results of this year's examinations will be published early in August following the annual meeting of the American Institute for Property & Liability Underwriters. Conferment will be held in Cleveland the first week in September.

Western Conference of Special Risk Underwriters will hold its annual summer meeting at Sportsmen's Golf Club near Waukegan, Ill., June 30.

N.A.I.C. Meeting at Quebec Held in Spectacular Setting

First in Canada Since '38—No Outstanding Issues But Many of Top Rank

By LEVERING CARTWRIGHT

QUEBEC—For the first time since 1938 the U.S. congress of insurance in the shape of National Assn. of Insurance Commissioners traveled to Canada for a convention. It is in full swing in the spectacular setting of Quebec and there is perhaps the greatest congestion ever of committee sessions running throughout the day and into the evenings, with time out only for the two handsome cocktail gatherings arranged by the Canadian hosts and the banquet.



Georges Lafrance

Because the start of the convention was set for a day later than usual, the hour of decision on most of the many problems that are in the hopper does not come until late in the week. There is no overshadowing question before the assembly but there are a multiplicity of matters of first importance that are being ventilated at crowded committee sessions.

Great Guessing Contest

There is in the lobby a great guessing contest. It is being persistently rumored that Superintendent Dineen of New York will depart from office before long and that he has formed an insurance



Wallace Downey



W. E. Allyn

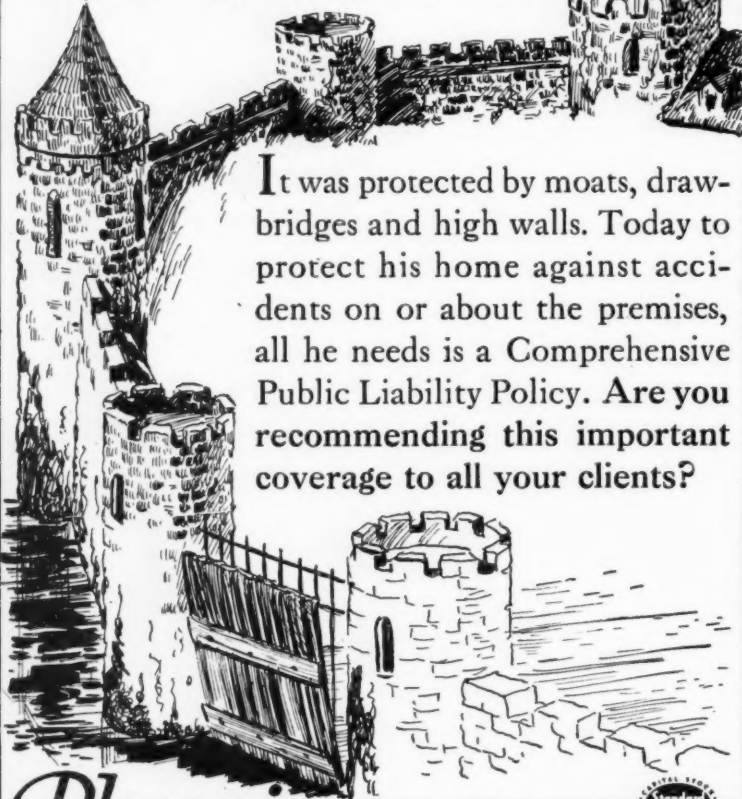
connection, but the guessers have not narrowed their speculation down to less than half a dozen possibilities.

Allyn of Connecticut, now vice-president, is slated to be advanced to the presidency, succeeding Forbes of Michigan, and Sullivan of Kansas will go up from chairman of the executive committee to vice-president. Two of the winter book favorites for election as chairman of the executive committee—Martin of Louisiana and White of Mississippi—are not here, but Mr. Martin may fly to Quebec before the week is out. He was kept home because the legislature is in session.

Martin may be elected anyway. It is taken for granted that it will go to a southerner. Butler of Texas has numerous partisans.

The convention was saddened by news (CONTINUED ON PAGE 9)

WHEN A MAN'S HOME was his CASTLE...



It was protected by moats, drawbridges and high walls. Today to protect his home against accidents on or about the premises, all he needs is a Comprehensive Public Liability Policy. Are you recommending this important coverage to all your clients?

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THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
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PHOENIX INDEMNITY COMPANY

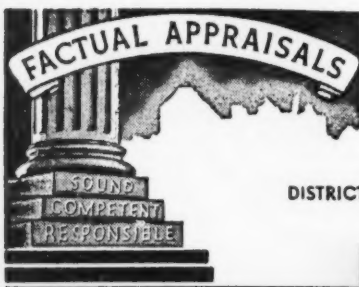


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Soderstrom Retiring, N. Y. Approves Phelps to Head Ill. Inspection Bureau

C. W. Soderstrom, manager of Illinois Inspection Bureau since 1932, is retiring on July 1 and R. K. Phelps will assume charge.

Mr. Soderstrom started with the Minnesota insurance department in 1915, and was with the Oklahoma insurance board from 1917 before joining Illinois Inspection Bureau in 1920 when the late Frank H. Jones was publisher.

He has been active in the work of the Bureau Managers Conference, the mid-west inspection bureau organization, and has done considerable work on standardization of supplies and bureau publications.

Mr. Soderstrom's son, William S., is assistant manager of American in the western department, and another son, Carl H., is a broker with W. A. Alexander & Co. agency.

Mr. Phelps was with Michigan Inspection Bureau for 17 years before the war as branch manager at Saginaw. He is an engineering graduate of Michigan State College. During the last war he was a colonel in the infantry, and he also served in the first war. Immediately after the war, Mr. Phelps was military governor at Frankfurt and was deputy under General Clay in the tripartite administration of western Germany. He returned to the United States only a few months ago.

Appeals to Public Opinion May Come Under Lobby Law

Companies and other organizations spending money to influence public opinion on questions of national interest may possibly be brought under federal lobby regulatory law, if a project of the House lobby investigating committee is carried out.

Chairman Buchanan says the purpose of a questionnaire to corporations was to obtain information to enable his committee to determine whether corporate expenditures for advertising, books, pamphlets, etc., should be reported to Congress.

He said the concerns questioned had contributed to organizations charged with lobbying. However, Buchanan followed the questionnaire with a letter extending the time for replying to the former from June 15 to June 30 and narrowing scope of information requested so as to exclude certain expenditures for non-legislative purposes.

Meanwhile, House rules committee consideration was possible of Rep. Hoffman's (Michigan) resolution to create a special committee to investigate the lobby committee and its staff.

Kilpatrick, Glens Falls Loss Veteran, Retires

John Kilpatrick, secretary of Glens Falls, has retired under the company's pension plan. He has completed 23 years as head of the home office loss department, having joined the executive staff as assistant secretary in 1927. He has been secretary for 21 years.

Mr. Kilpatrick is a law graduate of Syracuse University. He started with General Adjustment Bureau and was manager at Syracuse for G.A.B. before he joined Glens Falls.

Cooper to Nash-Kelvinator

James M. Cooper has been appointed manager of the insurance department of Nash-Kelvinator Corp.

Mr. Cooper, who has been director of insurance for Kaiser-Frazer Corp. for four years, entered insurance at Detroit in 1935 with Michigan Workmen's Compensation Rating Bureau. Later he joined Zurich at Chicago as an underwriter. After the war he joined Standard Accident at Detroit.

The Chubb & Son deductible fire insurance filing has been approved in New York and Delaware, and temporarily approved in West Virginia.

Under the Chubb & Son plan, the buyer is given a premium savings by insuring against only substantial damage and absorbing small losses. The plan provides for a minimum deductible of \$5,000, with commensurate discounts from the tariff rate in recognition of the deductible.

It is anticipated that the deductible plan will be given consideration on a nation-wide basis within the next few months. It has been reviewed without objection in California, which means the group can use it there.

Haskins, Malcolm Head Canadian Organizations

TORONTO—J. E. Haskins, Norwich Union, Toronto, has been elected president of Dominion Board of Insurance Underwriters, succeeding J. V. Owen, Guardian of London, Montreal. J. H. Harvey, Great American, Toronto, was named 1st vice-president, and James Matson, Royal-Liverpool, Montreal, 2nd vice-president.

At the annual meeting of Canadian Underwriters Assn., held concurrently with that of the Dominion board, C. Stuart Malcolm, Royal Exchange, was elected president, succeeding R. H. Leckey, Toronto. J. H. Harvey was named vice-president and fire chairman. Charles Curtis, Employers Liability, Montreal, was elected vice-president and automobile chairman, and W. C. Butler, Toronto, vice-president and casualty chairman.

A.I.U. Lowers European Automobile Cover Rates

American International Underwriters has reduced its private passenger automobile rates in the occupied zones of Germany and Austria and the free territory of Trieste and on household property and personal effects under worldwide marine transit coverages. The new rates apply to U. S. military personnel anywhere in Europe. The auto coverages extend anywhere in Europe except Russia.

The new third party liability rate for bodily injury \$5/\$10,000 limits is \$30. The \$5,000 property damage rate is now \$8. Representative comprehensive damage rates, excluding collision, \$50 deductible except as regards fire, transportation and total theft, are as follows: An automobile of an insured value of \$999 or less, \$22.50; \$1,600 to \$1,799, \$38.75; \$2,400 to \$2,599, \$56.25; \$3,000 to \$3,199, \$67.50.

The new European collision rates, \$100 deductible, are quoted at representative automobile values as follows: \$999 or less, \$40; \$1,600 to \$1,799, \$55.75; \$2,200 to \$2,399, \$69.25; \$2,800 to \$2,999, \$82.75; \$3,200 to \$3,399, \$85.75.

The household and personal effects marine transit rates are reduced worldwide, both on free of particular average and free of particular average including theft and non-delivery of a single shipping package.

Tye on Michigan Forum

Charles W. Tye of Royal-Liverpool will discuss agency tax problems at the agents forum being conducted June 19 by Michigan State College at East Lansing.

Ill. Federation Officers Meet

A meeting has been called for June 20 at the Union League Club in Chicago of the officers and executive committee of Insurance Federation of Illinois, for the purpose of planning the year ahead.



WEST VIRGINIA 1863

Although West Virginia did not become a state until 1863, the territory was explored about 1670 by John Lederer and his followers. The first recorded settlement was made at Bunker Hill in the early eighteenth century. The South Branch Valley, one of the best fishing areas in the state, is part of the land granted to Lord Fairfax, who, in 1745, commissioned George Washington to survey it. Prominent in history and song is the state motto, "Montani Semper Liberi," which means "Mountaineers are always free." Even though West Virginia is known as a mountainous state, stock-raising, dairying, and the production of wheat, oats, corn, hay, potatoes, tobacco, and fruit are important economically. The state is often a leader in the mining of bituminous coal, and vast quantities of petroleum and salt are mined, too. The Pocahontas exhibit of the various processes of coal production is outstanding. Among the manufactured articles for which the state is known are iron and steel products, glass, and pottery, with great chemical developments in the Kanawha Valley. The modern capitol at Charleston is one of which the people are justly proud. The Monongahela National Forest with its many beauty spots, the mineral springs at White Sulphur, Berkeley Springs and Greenbrier County, Shepherdstown where James Rumsey successfully tried his steamboat in 1787, Harper's Ferry, Harewood, Prospect Peak, and Spruce Knob are some of the places which make West Virginia a year-round tourist haven. Industrious agents are kept busy servicing the year-round insurance needs of West Virginians.



CRUM & FORSTER
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UNITED STATES FIRE INSURANCE CO. Organized 1824	THE WESTERN ASSURANCE CO., U. S. Branch Incorporated 1851
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In case your prospects ask!

IS INSURANCE DIFFERENT TODAY? That's a good question. Let us look at it fairly.

America has progressed far in its short span as a nation. It started from scratch and has pioneered its way to greatness.

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MICH. SUPREME COURT

Agent's License Not Necessary for Auto Finance Dealers

LANSING, MICH. — Michigan agency forces are somewhat disturbed by an opinion of the Michigan supreme court, part of which is construed as permitting auto dealers to arrange for insuring installment buyers of cars without being licensed as agents.

The unanimous opinion virtually dismisses a quo warranto action brought by the attorney general's department some two years ago, against the Contract Purchase Corp. of Detroit which does a large automobile financing business in the state.

The state legal department, then headed by Attorney General Black, had accused the company of violating the usury law, the small loan act and the insurance code. Had these contentions been upheld it probably would have been possible, according to Maurice M. Moule, assistant attorney general, to force forfeiture of the corporation's franchise or to enjoin it against continued violations of the statutes. The opinion failed to establish definite violations, however, and hinted that it was the province of the legislature to strengthen the laws. Gov. Williams only this week signed the Mittle act, passed at a special session, which sets up new restrictions on automobile finance companies, particularly limiting interest charges, but makes no actual change in present statutory provisions governing the handling of installment automobile insurance contracts.

As regards the claimed insurance code violations by the company, the court states, in part:

Charges Code Violation

"Plaintiff further contends that defendant has violated the insurance code —by procuring a policy for the vehicle purchaser and making out a part of that policy, though not a licensed agent. The record shows that the purchaser authorized the seller to obtain the policy and that this was done by defendant upon purchasing the seller's interest in the commercial paper.

"The defendant sent a sheet for each individual transaction to a local agency. The agency entered the amount of the premium and the carrier's name and policy number on the sheet, and sent it and the policy to the defendant. Thereafter defendant's insurance department made a hectographic copy of the policy and mailed it to the purchaser. Defendant received no compensation or commission for placing the insurance and had no interest in the agency. Defendant did not itself write the policies. It paid the premium and was reimbursed through the payment of automobile installment.

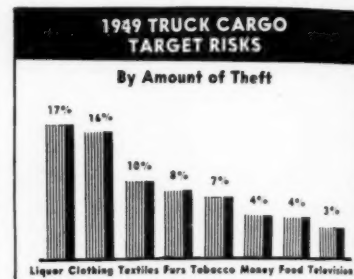
"The evidence fails to sustain any violation of the insurance code in the procedure related. In 1939 the legislature enacted the motor vehicle retail installment sales statute—in which it was expressly provided that the retail seller or his successor in interest might provide insurance for the vehicle buyer if the purchaser did not desire to obtain his own insurance. The legislature obviously did not intend that all new and used automobile dealers who sold on the installment plan would have to acquire an agent's license before they could procure the policies by which their insurable interest in the vehicle would be protected. The statute expressly authorized the acts here done, merely regulating the practice in order to permit the buyer to provide for his own insurance if he so wished."

Commenting on the opinion Mr. Moule noted that it appeared to leave loopholes for abuses, inasmuch as unlicensed dealers or their employees working with finance companies might collect commissions hidden in the finance charges.

\$50 Million Truck Cargo Theft Loss Predicted for '50

NEW YORK—More than \$50 million worth of goods will be stolen from trucks in the U. S. in 1950, according to the Cargo Protection Bureau.

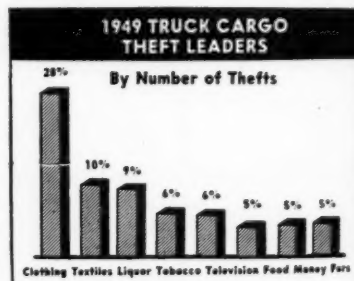
The bureau reported a record 7,000 truck cargo thefts and hijackings for 1949, with \$40 million values involved, nearly twice the total of only three years before. Its annual truck cargo theft survey carried a list of representative thefts



of the past year, representing some \$2,000,000 of the losses.

Clothing Leads

Clothing led in number of thefts, its lead being aided by many new load thefts not previously recorded, including baby garments, girdles and shoes. Textiles were second, liquor third and tobacco fourth. Television, which was not even on the loss lists three years ago, ranked fifth. Food was sixth. Money appeared prominently on the loss lists again for the first time in many years, and the thefts of money from collection trucks were so frequent that they jumped into seventh place.



Miscellaneous items were 26% of the total, contrasted with 18% two years before, the growth being due to many new types of cargo thefts, such as sewing machines, adding machines, cutting machines, photographic supplies, medical supplies, toys, tools, musical instruments and even diapers. Whole loads of these items were taken. Crooks are reaching farther and farther into new areas, the bureau stated.

Truck cargo thefts can be prevented, according to the bureau. Thousands of truckers are preventing them today. Billions of dollars worth of goods will move this year with practically no theft hazard, due to the prevention jobs now in effect. But billions more are still without the necessary protection and they are the ones which will contribute to this year's theft toll.

Stiffens Inflammable Law

FRANKFORT, KY.—Any organization engaged in installing, servicing, or transporting liquefied petroleum systems must obtain a permit from the commissioner before engaging in such activities. The same rule applies to handling compressed or liquefied gases. This is the interpretation of the new law that soon goes into effect. W. L. Martin, state fire marshal, will enforce the law.

Royal-Simpson

Royal-Simpson
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Royal-Liverpool Appoints Simpson Assistant Manager

Royal-Liverpool has appointed William C. Simpson assistant manager of its metropolitan (New York) fire and casualty operations.

Mr. Simpson will supervise all production activities. His appointment is a further step in the coordination of fire and casualty production in that territory. He joined the company in 1937 and following several years of military service was transferred to New York.

N.A.I.A., I.E.A. Committees Meet at New York City

The property insurance committee of National Assn. of Insurance Agents and the forms committee of Insurance Executives Assn. met at New York City to discuss comprehensive dwelling forms and simplification of fire policy forms.

Representing N.A.I.A. were O. Shaw Johnson, president, Clarksdale, Miss.; Arthur M. O'Connell, Cincinnati, chairman of the agents committee; Maurice J. Hartson, New Orleans; John F. Neville, secretary, and Clarence R. Rauter, research director.

I.E.A. was represented by T. Y. Beams, Royal Indemnity; A. C. Seymour, Royal-Liverpool; J. V. Herd, America Fore; R. M. Hooker, Aetna Fire; Charles M. Close, Great American; H. W. Cowles, Glens Falls, and John Rygel, Hanover.

Home Employes Hold Outing

More than 2,000 members of the Fifty-Nine Maiden Lane Club, employe organization of Home, held their annual outing at Bear Mountain, N. Y. The program included dancing, athletic activities and the annual softball game between the New York and Philadelphia offices. Luncheon and dinner was served.

Snell Joins Frey & Jones

Frey & Jones, independent adjusters of Buffalo, have added Edward W. Snell to their staff. Mr. Snell has been a company man for 26 years and until recently was state agent of Pearl-American in western New York. He will handle fire and inland marine claims.

Phila. Dinner for Leslie

PHILADELPHIA — The Insurance Agents & Brokers Assn. of Philadelphia & Suburbs will tender a testimonial dinner to A. C. Leslie, Pennsylvania's new commissioner, June 27. All branches of the industry are being invited.

The association has launched a membership drive to double its membership. Alan Bucks is membership chairman.

Decide Ind. Dealer Issue

Indiana supreme court has reversed a superior court order and declared that automobile dealers are not entitled to a commission on insurance policies unless they have licenses. Superior court had enjoined the insurance department from intervening in the affairs of Johnson Chevrolet Co. which was receiving commissions on the policies of Sterling agency of Indianapolis.

N. Y. Expense Hearing

The New York department will hold a hearing June 20 at its New York office on adoption of amendment to regulation 30, the uniform accounting regulation, covering chiefly changes under the operating expense classification, "Taxes, Licenses and Fees."

Public Officials Hear O'Toole

John J. O'Toole of F. D. Hirschberg & Co., St. Louis, chairman of the fire safety committee of National Assn. of Insurance Agents, in addressing a meeting of Public Building Officials of America at Indianapolis, stressed the need for securing expert advice on fire insurance matters and urged that they

contact officials of their local boards for discussion of any unusual problems. He told of the work of the National Board, including its hospital inspection program, Underwriters Laboratories and N.A.I.A.

Monarch in Mountain Field

Monarch Fire has entered Colorado and Wyoming with the general agency of J. H. Silversmith, Inc., of Denver. This general agency has also entered Continental Fire & Casualty of Dallas in Wyoming.

General Mills Case Up in St. Louis Appeal Court

MINNEAPOLIS — The lawsuit of Harry Goldman against General Mills, which has been watched with keen interest by insurance men, is now before the circuit court of appeals in St. Louis on an appeal by General Mills. In the trial in federal court at Minneapolis, Goldman was awarded \$198,678 for loss of a building which he rented to General Mills, and which was destroyed in an explosion and fire Jan. 15, 1948.

Goldman claims the explosion and fire were due to the negligence of General Mills, and an employee. He demanded a total of \$342,500, including \$200,000 for the building and \$135,000 for loss of rent under a lease.

Ky. Fire School Speakers

Dr. Richard C. Steinmetz, Mutual Investigation Bureau, and Emmett Cox, senior field officer Western Actuarial Bureau, both of Chicago, were among the speakers at the annual Kentucky fire school at Lexington.



Symbols Worth Remembering

HIGH UP ON THE CORNICE of the company's Home Office building in Philadelphia, directly above the main entrance, is cut in stone a representation of a scarabaeus—the symbol of endless vitality. Since earliest Egyptian times, the scarab has stood for self-perpetuation and was, and still is, a strikingly appropriate emblem for a company that has passed triumphantly through so many storms, wars, panics and conflagrations. The present front of the building, in white marble, of the Egyptian style of architecture, is probably the only example now existing in the City of Philadelphia.

Down through the ages men have found convenience in the use of symbols — picture devices that portrayed in simple form that which otherwise would take pages of text to relate. Such were the hallmarks of famous craftsmen. Each at a glance invested the thing bearing it with worth of character and intrinsic value.

Such a symbol is the trademark of THE PENNSYLVANIA FIRE. For a century and a quarter, 1825-1950, to Agents and Policyholders alike, it has stood for Integrity and Fair Dealing.



THE PENNSYLVANIA FIRE INSURANCE COMPANY

1825

Established 1825 on Independence Square, Philadelphia and on the same site ever since

1950

125th Anniversary

Rules Federal Loan Assns. Can't Be Insurance Agents

FRANKFORT, KY.—A federal savings and loan association cannot legally engage in the insurance business, according to an opinion of James C. Creal, general counsel for the Kentucky department.

Mr. Creal says that the insurance law of Kentucky does not permit the licensing

of a corporation as such, but it does permit a corporation to hold agency contracts and licenses individual members of the corporation who solicit and negotiate insurance contracts. The other reason why such an association cannot act as an insurance agent is because it can only do the acts permitted by the federal law, which sets as their purpose the financing of homes.

Mr. Creal adds that since the pur-

poses enumerated by the act are very limited and since the organizations receive certain benefits, such as tax exemptions, they could not engage in any business other than those specified in the act.

Minn. Hail Writings Slow

MINNEAPOLIS — With June half gone, hail writings in this territory are far short of normal. If there is going to be any where near an average volume it will have to be written in the next two or three weeks. Although the unusual season has made some agents pessimistic about the hail business, Coy C. Cochran, supervisor for the Home, believes this may yet prove one of the big hail years.

"Our reports show that a few agents have already exceeded all previous years' volume," he said. "Several agents have told me that hail business is easy to sell this year but they must go after it."

Mr. Cochran, who has just been out in the territory, reports that crops are coming along nicely and with the right kind of weather in the next two weeks the demand for hail coverage will rise.

J. B. Roberts who was graduated last month from Baylor university, has come to Minneapolis as assistant to Mr. Cochran. He is a son of Jess Roberts, well known hail adjuster in Texas, and has worked with his father in that state.

Score on Escott Plan

The so-called Escott or debit-credit plan for writing multiple location risks has been approved in Arkansas, California, Connecticut, Florida, Georgia, Maine, New Hampshire, New York, Oregon and Utah.

It has been disapproved in Alabama, Kansas, Louisiana, New Jersey, South Carolina, Rhode Island and Washington. It is pending in the other states.

Griffin Retains La. Post

L. K. Griffin, who has joined Midwestern of Oklahoma City as manager of the southern marine department, is executive vice-president of Southern Marine & Aviation Underwriters of New Orleans. The story of Mr. Griffin's new position in a recent issue of THE NATIONAL UNDERWRITER gave the false impression that he had left Southern Marine & Aviation Underwriters.

A.M.A. Insurance Officers

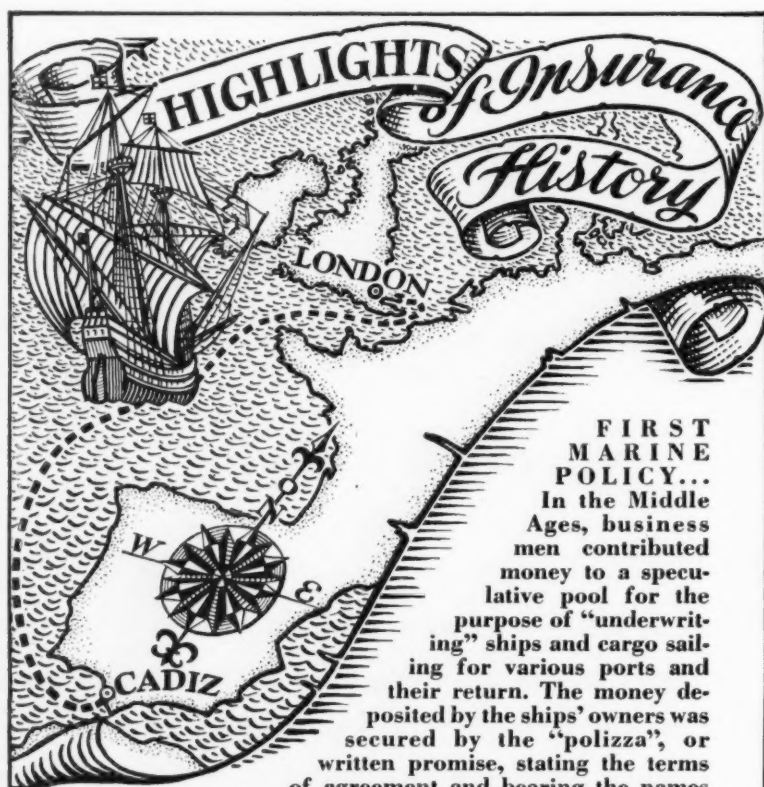
Russell B. Gallagher, manager insurance department Philco Corp., Philadelphia, has been reelected insurance division vice-president of American Management Assn. Lyman B. Brainerd, president Hartford Steam Boiler, was elected a director.

Pa. Taxes Above Estimates

HARRISBURG—Pennsylvania's premium tax on out-of-state-insurers yielded \$12,649,434 for the fiscal year ending May 31, the state budget bureau

reports. It was \$3,388,934 over bureau estimates for the same period.

Premium taxes on domestic companies brought in \$603,183, almost twice the budget bureau's estimate of \$367,500.



FIRST MARINE POLICY...
In the Middle Ages, business men contributed money to a speculative pool for the purpose of "underwriting" ships and cargo sailing for various ports and their return. The money deposited by the ships' owners was secured by the "polizza", or written promise, stating the terms of agreement and bearing the names of those indemnifying the owners in case of loss. When the speculation grew too large to be handled by a few, ship indemnification became a real business. The first recorded marine policy was dated September 20, 1547, and was drawn for the Santa Maria de Venezia sailing from Cadiz to London.

The National Union and Birmingham Fire Insurance Companies are ready to protect American shipping to and from any port in the world.

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CLAIM MANAGER FOR FIRE AND INLAND MARINE

Maryland Casualty Company is seeking an experienced Claim Manager to organize and manage a Home Office Claim Department handling Fire and Inland Marine. Write freely, giving age and complete history. Address: W. K. Lloyd, Vice President, Maryland Casualty Company, Baltimore 3, Maryland.

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- to deal fairly
- to act courteously
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- at all times and under all circumstances.

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LIVE STOCK INSURANCE COMPANY
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BOOK VALUES NOT INSURABLE VALUES

To depend on book values for insurance is dangerous. Current values established by appraisal furnish the proper basis for coverage, re-rating, and proof of loss.

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George H. Kline

New N. Y. Deputy

George H. Kline, deputy superintendent of the New York department, appointed with the departure of Thomas C. Morrill to State Farm Mutual Automobile as director of research, is an attorney, a graduate of Syracuse University in public administration. In 1948 he became special assistant to Superintendent Dineen to handle some special legal and statistical studies. He prepared a review of mail order A. & H. insurance and methods of handling it which attracted wide attention.

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Lamble President of North Star

John W. Lamble has been elected president and a director of North Star Reinsurance, fire affiliate of General Reinsurance. General Re elected Carl N. Osborne a director. He is vice-president and treasurer of M. A. Hanna Co., industrial and financial firm of Cleveland. The Hanna Co. has acquired a substantial stock interest in General Re. The shares acquired, according to



John W. Lamble

Edward G. Lowry, Jr., chairman and president of General Re, were in part the last of those formerly held by Equity Corp., which no longer has an interest in General Re. The Mellon interests of Pittsburgh have the largest ownership in General Re stock.

"General Re welcomes the M. A. Hanna Co. as another strong and progressive element in the ownership of the company," Mr. Lowry said.

Vice-president Since 1946

Mr. Lamble has been a vice-president of North Star since joining the company in 1946. He is well known in the fire field. Mr. Lowry continues as chairman and chief executive officer of North Star. Holly W. Fluty was elected a vice-president of General Re. He has been counsel since 1948.

Mellon Indemnity was merged with General Re at the close of 1945. Net premiums of the merged organizations, including North Star, increased from \$14,201,784 in 1945 to \$28,426,659 in 1949. Consolidated assets of the group increased from \$45,487,974 in 1945 to \$68,982,089 at end of 1949, increase 51%.

United Air Lines Develops Air Cargo Insurance Plan

Insurance for loss or damage to any air freight shipment, regardless of whether the carrier is responsible, now is available to United Air Lines shippers. F. S. Wilson, insurance manager of United, explained the new policies provide broad coverage on all air freight shipments, including perishables, live animals and high value cargo. Shipments may be insured for up to \$1 million.

Rates are geared to mileage, with breaks at 500, 1,000, 3,000, 9,000, and 16,000 miles. On each \$100 of valuation, for example, the general cargo premium is 6 cents to 500 miles, 7 cents to 1,000 miles and so on up to 33 cents at 16,000 miles.

Premiums on jewelry and other items classified as high value cargo are 4 cents per \$100 valuation to 500 miles, 6 cents to 1,000 miles, on up to 25 cents at 16,000 miles.

Va. Agents Urge Multiple Location Plan Approval

RICHMOND—Fire companies licensed in Virginia are being undersold by foreign companies doing business illegally, a spokesman for local agents told the Virginia corporation commission at a hearing on multiple location rating. T. Nelson Parker, attorney for Virginia Assn. of Insurance Agents, said that companies complying with Virginia laws are losing out in the sale of insurance on larger industries and businesses having more than one location in the state.

The agents contend that outside companies offer larger industries with many plant locations a wholesale rate on multiple-risk policies, which they are unable to meet. They favor the multiple-location risk plan of the Virginia rating bureau.

Norman S. Elliott, commission counsel, said the commission would like to know about any companies operating illegally in Virginia, but Mr. Parker said the agents were not ready to submit proof at this time.

At the hearing, the rating bureau's plan ran into opposition from a number of companies.

George R. Carey, spokesman for the group, said the plan would discriminate in favor of chain stores and larger corporations, which could get their insurance cheaper.

The hearing was continued to Sept. 6.

Report Hershey to Leave Office Soon

QUEBEC—The report was extensively circulating at the commissioners' meeting here that Harry B. Hershey is leaving office as Illinois insurance director very shortly, perhaps within a matter of days. The fact that his lips were sealed only served to lend credence to such report. It is known that he accepted the appointment originally only on the understanding he would serve

but a short period and that he has stayed longer than he intended. It is said that Gov. Stevenson has not decided on a successor.

Mentioned as a possible successor to Mr. Hershey is attorney Melville Hickman of Danville.

A. D. Dulaney, veteran deputy in the Arkansas Insurance department, is in St. Vincent hospital at Little Rock with a possible hip fracture and complications. Mr. Dulaney served a term as commissioner in the early 1930's. He was a deputy before that and he has been a deputy most of the time since.

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Rice Fields Ready for Annual Flock Visitation

The program has been prepared for the annual Grand Nest gathering of Blue Goose. The convention will be at French Lick, Ind., Aug. 7-11.

The Grand Nest officers will meet the morning of Aug. 7 and in the afternoon registration will begin and there will be a get-acquainted party.

The second day will be given over to sports and entertainment with the international golf tournament and ladies' golf. In the evening, there will be a cocktail party and dinner, followed by dancing.

The opening ceremonies will be on Aug. 9 and will feature a model initiation conducted by the Kentucky pond. J. Ray Hull, American States, most loyal grand gander, will give his address.

In the afternoon the ponds will report. New officers will be elected Thursday morning and the convention city for 1951 will be selected. Speaker at the luncheon will be George Craig, national commander of the American Legion. On Friday the new Grand Nest officers will meet.

Sterritt Goes with Security

Security of New Haven has appointed George H. Sterritt as marine special agent at Kansas City.

He will supervise inland marine in Missouri and Arkansas. He has been superintendent of the western service office for inland marine and special lines at Kansas City for North British.

Correct Auto Loss Ratio

In the annual Automobile issue of THE NATIONAL UNDERWRITER the 1948 experience of stock fire companies is given with a loss ratio of 26.6%. This is an error, the correct figure being 37.6%. The 1949 ratio on a written paid basis for the stock fire companies is 31.0.

Enters So. Illinois Field

Crum & Forster has appointed Winston Brown special agent in southern Illinois, operating out of Edwardsville. After serving as an army civil employee in Persia, Mr. Brown joined the Bernard agency of Caruthersville, Mo. He has been an underwriter in the western department of Crum & Forster for some months.

Hartford Advances Wyer

Herbert S. Wyer has been made assistant superintendent of the auto department of Hartford Fire in the eastern field. He has been a member of the department 34 years and his entire career has been spent with that company.

Duke to Treat Insurance

The summer and fall issues of the publication of Duke University law school are being devoted to the treatment of insurance questions. One issue will contain articles by law school professors and the other will feature contributions by those identified with the business, including James Donovan, general counsel of Assn. of Casualty & Surety Companies, and Frank Marryott, Liberty Mutual.

Kroll Succeeds Schneebeck

W. W. Schneebeck has resigned as president of the Wilmark agency at Cincinnati. He will be succeeded by Mark H. Kroll who now has the controlling interest in the agency.

At its final meeting of the season, Pittsburgh Fire Loss Conference was entertained by three radio performers. The next meeting will be on Sept. 11 with an outside speaker.

WANT ADS

WILL BUY INSURANCE COMPANY

A responsible group of insurance men, financially capable, are interested in purchasing a small or medium sized fire, casualty or bonding company — out of Chicago Metropolitan area. Transaction will be treated confidentially. In reply furnish necessary information to arrange meeting for interested parties. Address A-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced Inland Marine man to supervise and further develop Inland Marine business in several southern states out of Atlanta, Georgia for old line stock company. Responsible position with good opportunity. All replies strictly confidential. State experience, age, qualifications. Our employees know of this ad. Address A-46, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PASADENA OFFICE SPACE

Office space available in Class "A" building on most important corner in Pasadena. From 200 to 20,000 square feet. Parking. Write T. D. Rogan, 9014 Wilshire Blvd., Beverly Hills, California.

INDIANAPOLIS LOCAL AGENCY

WANTS combination solicitor and office man. Salary and commission with good future in growing agency. Prefer married man in twenties with some experience, and local acquaintances. Replies held confidential. Souder Insurance Agency, Inc., 212 Guaranty Bldg., Indianapolis, Indiana.

INLAND MARINE UNDERWRITER

An exceptional opportunity is available to an inland marine underwriter with two or more years experience in our western department office. Replies will be treated confidentially. Address Personnel Dept., The American Insurance Co., 304 N. Main St., Rockford, Ill.

MALE OR FEMALE

Casualty Underwriter for a responsible Detroit Agency writing multiple lines. One who can meet the public and have sales ability. Replies strictly confidential. Address A-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

EXCEPTIONAL OPPORTUNITY

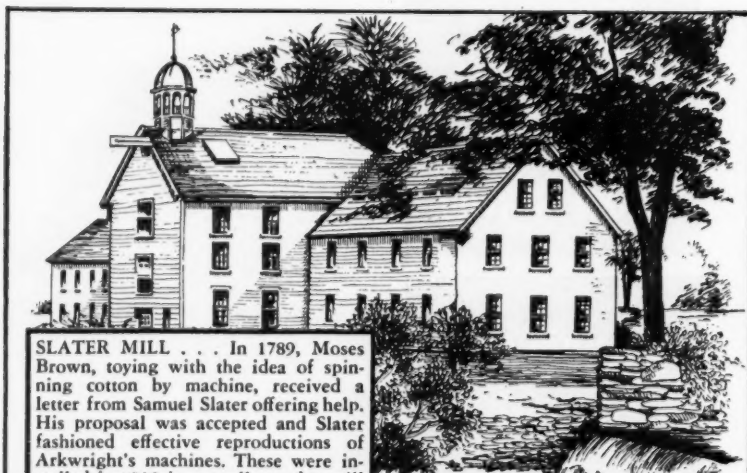
Fast growing fire company has opening in State of Michigan for a field representative. Salary commensurate to applicant's ability. Address A-43, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

IOWA STATE AGENT

Experienced field man for Iowa territory. Well established fire and marine stock company. In reply state age and qualifications. Replies strictly confidential. Our employees know of this ad. Address A-45, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACCOUNTANT

Good opportunity for an accountant with a mid-western fire company and casualty company to handle uniform accounting, annual statements, rate filings. Give full details in reply, age, education, experience, and salary expected. Our employees know of this advertisement. Address A-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



SLATER MILL . . . In 1789, Moses Brown, toying with the idea of spinning cotton by machine, received a letter from Samuel Slater offering help. His proposal was accepted and Slater fashioned effective reproductions of Arkwright's machines. These were installed in 1793 in a small wooden mill on the banks of the Blackstone River where they heralded America's mechanical age and set the industrial pattern for Rhode Island. Standing in Pawtucket, the Slater Mill, first successful cotton mill in America, is a shrine to the cotton industry.

Not far from the Slater Mill stands the home of the Pawtucket Mutual Fire Insurance Company, another old New England institution. Known for its prompt settlement of losses, it has been providing

continuous dividend

payments for over 100 years.



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PAWTUCKET MUTUAL

FIRE INSURANCE COMPANY

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N.A.I.C. Meeting at Quebec Held in Spectacular Setting

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of the death of Orville Davies of General Exchange Insurance Corp., who for many years was a popular and influential figure at commissioners' gatherings.

The Pamunkey Tribe of Real Indians ceremonial was omitted because of the difficulty of bringing the paraphernalia across the border but the chiefs are planning for big things at Los Angeles in December.

Tuesday was an especially congested day with two or three committee meetings going on at the same time and with a plenary session sandwiched in late in the morning to hear addresses by several Quebec dignitaries in French and English.

There was a large turnout for the meeting of the committee headed by Stone of Nebraska to explore the idea of invoking the interstate compact principle for certain aspects of insurance regulation. Advancing the idea were H. L. Wiltsee of Council of State Governments, Chicago and Fred Zimmerman, director of research of the New York joint legislative committee on interstate cooperation. In the discussion Chase Smith, general counsel of the Kemper companies, warned against taking this path. He argued this would tend to take the responsibility away from the states and could very well turn out to be an intermediate step to federal regulation. E. A. Meyers of the Chicago law firm of Ekern, Meyers & Matthias, on the other hand, voiced the belief that the interstate compact might be a constructive method.

Effective Cooperation Needed

Mr. Wiltsee said that the assumption of administrative responsibility on the part of the states has not measured up to the legislation. He contended that if the laws are not matched by superior administration there would be intrusion. On the other hand, if administration were tip top, there would be an enormous duplication of work and there would not be enough supervisory talent to go around. Effective joint interstate cooperation is called for, he insisted.

Commissioner Crichton of West Virginia alluded to a recent West Virginia supreme court decision that West Virginia's membership in an interstate compact on Ohio river pollution control was unconstitutional. Mr. Wiltsee answered that this was a singular decision, that there have been many holding otherwise; that there was no renunciation clause in this compact, which could be inserted in an insurance compact.

Mr. Zimmerman suggested that insurance fields in which a central body might have fact finding authority are valuation of securities, examination of companies, and certain aspects of rate regulation. In the realm of mail order insurance a central body might actually engage in regulation.

In answer to a question he said that N.A.I.C. itself is not the equivalent of an interstate compact because it is merely an informal voluntary association. There is no power foreseen by the states as there is in an interstate compact.

At the first plenary session, the invocation was spoken by Msgr. Ferdinand Vandry, rector of Laval University, clad in black and purple vestments. Onesime Gagnon, provincial treasurer of Quebec, gave an address and his complimentary reference to Georges Lafrance, Quebec insurance superintendent, was the signal for prolonged applause in appreciation of the popular host commissioner.

Mr. Gagnon was also interrupted by vociferous applause when he remarked that the area of Quebec is twice that of Texas. Mr. Gagnon was obviously bewildered by this explosion. There was also a message from the representative of the mayor of Quebec. Allyn of Connecticut gave the response and Forbes gave his presidential message.

At a meeting of the examinations

committee there was discussion of the proposal to report the salaries of officers of companies. Floyd Jacobs of Kansas City, representing the reciprocals, voiced objection to the proposal to require companies to set forth in their annual statements the statistical methods they pursue.

There were two meetings on proposed uniform agent licensing laws. The committee is headed by Knowlton of New Hampshire. The upshot was a decision for further study by the all-industry committee. J. B. Hallett of National Assn. of Life Underwriters asked that the life insurance agent licensing bill be kept separate from the property insurance pattern, as he said there are important differences. He said there are satisfactory life insurance agent licensing laws in only 25 states, whereas the property agents are well regulated in 40 states.

The lengthiest and the most heavily attended session Tuesday was that dealing with the great problem of installment payment of the term premium in fire insurance. It was inconclusive, although the idea was considered of turning the question or certain phases

of it over to an industry group perhaps the all-industry committee. There had been an unscheduled meeting the previous day on the same subject. C. P. Butler, representing Corroon & Reynolds and also New York State Assn. of Insurance Agents, took an important part in the discussion. Among other things he said that if N.A.I.C. doesn't provide the answers he will counsel his clients to get from the Treasury Department a ruling on whether the finance charge involved constitutes interest or premium and also whether deferred premiums may be shown as an asset if a note is not taken from the assured.

Gordon Sweeney of General of Seattle made a lengthy presentation in which he contrasted the plan of his company whereunder the full annual premium is charged the first year and the insured is given the option to renew for the next four years at 80% of the annual rate then current as to the particular risk, with the installment payment of the term premium plan of North America. Under the General's plan he insisted there is no extension of credit and the 5% loading is treated

as extra premium for expense of handling. He contended that none of the problems that have been cited as arising under the installment plan is applicable to the program of General. As evidence that the annual renewal plan doesn't cause a wholesale conversion of business from the traditional term arrangement, he said General, in analyzing 15,000 daily reports over a period of a month, found that 10% were not eligible for term treatment and of the rest two-thirds were on the conventional term basis and only one-third were on the annual plan.

Mr. Sweeney argued that competition of this kind is an aid to proper operation of the rate laws.

Doubts Committee's Effectiveness

Harrington of Massachusetts brought up the question of having an industry committee tackle problems projected by the installment plan in relation to the annual statement. J. C. Phillips of North America contended that no such committee could resolve these questions because of the difference between state laws. Many of the questions are purely legal, he contended, and can be answered only on a state by state basis.

Mr. Butler endorsed the idea of such a study and recommended that the all-industry committee be selected as the

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Why take chances with the wrong approach when we can give you a guide to selling this new policy? "A New Sales Slant for a New Policy," a reprint of an article which discloses this information, is yours for the asking. Write the Advertising Department for your copy.

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vehicle. Mr. Phillips objected, saying that North America is not represented on that committee and any such group should include those that are using the plan.

Henry Moser of Allstate declared that if the all-industry committee should be chosen, every party at interest would be given full representation. Cheek of North Carolina said it would be unwise to set up a study on a basis that would be resented by an important industry factor. Gough of New Jersey said N.A.I.C. should have a full-time corps of experts to delve into such matters rather than turning to the industry for such service.

Harrington said he had no intention of turning it over to the industry. He simply wanted their advice before rules are promulgated. That method, he declared, is preferable to the commissioners laying down rules and then having them contested.

Downey of California decided not to hold a meeting of the committee on minimum requirements, benefits and fair trade practices in A. & H. and this brought sighs of relief from the A. & H. fraternity.

Tuesday evening a meeting was held on the Rhode Island Ins. Co., situation. This was called at the request of that company. William Corbett outlined what the company is prepared to do to win the favor of commissioners, but the latter were non-committal.

Leslie Heads Session

There was an important meeting of the committee on definition and interpretation of underwriting powers headed by the freshman commissioner, Leslie of Pennsylvania. At that time J. Victor Herd of America Fore was able to report that all segments of the business had ratified a proposal for classification of fire, marine and casualty insurance. The purpose would be to secure uniformity in the definition and classification of fire, marine, casualty and surety and combinations thereof in cooperation with N.A.I.C. Any insurer could subscribe. There would be a joint committee of five fire, five casualty and five marine men.

At an earlier stage such a project was frowned on in some quarters on the theory that it might be construed as an effort to block multiple line legislation. Now, Mr. Herd said, some of the strongest advocates of multiple line laws are the most anxious to proceed with this program because they see the problems that are arising in connection with the classification of business for purposes of tax, for statement purposes and for rating regulation.

R. E. Hall of the Aetna Life companies said this is a sincere offer to aid in the orderly conduct of the business without any implication of intention to limit the underwriting authority of any company.

C. P. Butler strongly endorsed the plan. He said it would bring order in the business. He said there is a threat to rate regulation in the tendency to put together a combination of coverages and get an independent filing approved. He mentions in this connection the manufacturers output policy.

Defines Marine Covers

Mr. Herd said he had been asked what happens to the joint committee on interpretation and complaint. He said that committee is charged with saying only whether a cover is marine or is not marine. Its usefulness is thus limited, but the desire is not to jettison that setup before a decision is reached on the new proposal.

In answer to a question, Mr. Herd said the committee would have no police power. As a matter of fact he recalled that the policing provision had been removed from the old agreement. The new machinery would be of an advisory nature only.

J. P. Gibbs of Texas asked about fire legal liability. Mr. Herd said there is no disposition on the part of fire companies to get into the field of the strictly legal liability cover involving the de-

fense of claims. The fire people apparently are confining their interest to the insuring of property within the care, custody and control of the insured where the only claim procedure is the assessing of the amount of the loss.

Downey Heads Meeting

Last Saturday morning the committee on reinsurance had a meeting headed by Downey of California. There was extensive discussion of the brochure which a committee of technicians had prepared and that was reviewed in THE NATIONAL UNDERWRITER last week. Stone of Nebraska referred to year end surplus aid transactions and asked how legitimate and illegitimate transactions could be distinguished. It was suggested that the reinsurance people form a group to offer suggestions. Felix Hebert, representing the Factory Mutuals, asked that the term deposit premiums in connection with reinsurance transactions be changed to surplus deposit premiums. Among those taking part in the discussion were E. L. Mulvehill of American Reserve; Hector Kottgen of General Reinsurance; Harold Leonhart of Leonhart & Co., Baltimore, and representatives of London Lloyds.

A set of 15 rules to govern auto finance business was proposed by a committee headed by Larson of Florida at a meeting Tuesday. Mr. Larson said these regulations would not put the legitimate operator out of business. Kirk Landon of Retrospective Underwriters of Miami spoke in favor of these proposed rules. Another session was scheduled for Wednesday.

Pick Swampscott for Next June

At the executive committee meeting Monday afternoon, it was announced that the annual June meeting in 1951 will be held at New Ocean House, Swampscott, Mass., and that Commissioner Harrington of Massachusetts is making arrangements. A tantalizing invitation for the December, 1951, gathering was presented in behalf of San Juan by Commissioner Jorge Font Saldana of Puerto Rico. He was reinforced by a representative of Industrial Development Co. of Puerto Rico and of Pan-American Airways, and by Superintendent Dineen of New York as a self-styled "character witness." He gave a rave notice, saying the setup is "gorgeous." A committee of three was

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named to make recommendations on this later in the week.

Mr. Dineen announced that the New York department is embarking on a study of what is involved in the process of passing on policy forms in the life and A. & H. fields. This grows out of the attention that he gave to complaints on the part of insurers of excessive delays in approvals. Robert J. Crossley, a law school graduate who recently joined the department, has been assigned to the task, which may take two years.

Mr. Dineen said New York passes on 3,000 to 4,000 forms each year. Many of these are for national use and hence 48 other states are going through the same motions on the same subject matter. There are seven men and five clerks in New York on this job. Mr. Crossley will for about six months study the operations of this forms bureau in New York. Then he will look at the company end of the line and finally will visit other insurance departments before making his report, which will be of a factual nature. Mr. Dineen said he would like to be able to have this report submitted to an N.A.I.C. committee, and it was decided that the proper committee for this purpose is the one on interstate cooperation in the auditing of annual statements, which is headed by Stone of Nebraska.

Centralized Plan Proposed

Butler of Texas asked what the ultimate purpose is of the study. Mr. Dineen replied it is to set up machinery similar to that of the securities valuation committee for reviewing policy forms in behalf of N.A.I.C. The aim would be to create a permanent and skilled secretariat. Rather than have 48 men passing on one form, Mr. Dineen said he would be willing to abdicate some of his authority in behalf of a centralized scheme.

Gough of New Jersey applauded this venture, saying it is the "first real step in the direction we should have been going long ago." He said something similar is badly needed in the rate regulation field.

Warmup on Term Issue

Monday morning was held an unscheduled warmup session of the committee dealing with the question of the fire insurance term discount and annual payment of the term premium. In the absence of Larson of Florida, the chairman, Harrington of Massachusetts presided. Mr. Larson was represented by W. Rountree.

After a lengthy discussion, the idea took shape that the whole question might be turned over to the all-industry committee. It was interesting that this question, which has become enormously complicated, was being debated on Canadian soil, where a simple solution was decided upon some time ago that seems to be thoroughly satisfactory. In Canada, a three-year term is the maximum and the premium for that is three annuals less 10%.

Frank Marryott of Liberty Mutual submitted a brief which was pretty much the same as what he had used in the New York case, and Mr. Phillips put in a brief for North America.

Are Problems Separable?

There was a lot of discussion of whether the problem of the term discount and the deferred payment of the premium are inextricably intertwined or whether one merely has a bearing on the other or whether they are entirely independent matters.

Then there was some highly refined legal fencing on the implications of the New York ruling that the Liberty Mutual premium installment payment plan is strictly a banking matter and is not subject to rate regulation. Subsequently Mutual Insurance Rating Bureau erased from its automobile manual the section dealing with installment payment of the premium in New York. This precaution was taken against the possibility that the Sherman act might be invoked against action in concert on a non-rating price factor. That is, the

assertion might be made that the rate law umbrella wouldn't keep the anti-trust rain off an agreement on interest and service charges. This engendered some fine spun theorizing on the part of Mr. Marryott with Mr. Harrington turning the spit.

Berry Acts as Interpreter

Ray Berry of National Board, offering to act as interpreter, said he understood Mr. Marryott to be arguing that if a rating organization acts in concert on something beyond the realm of rates, it is violating the Sherman act. But Mr. Berry vouchsafed that the state fair trade practice act provided protection here against Sherman act attack.

Commissioner Cheek of North Carolina insisted that what is needed is decision on numerous points involving the annual statement figures arising out of installment plan. It is idle longer to debate the merits of the plan, he said. It is here and the problem is how to treat it from an unearned premium, asset and other angles, including taxes. For instance, Liberty Mutual collects 4% on the declining balance and 30 cents per installment. The interest goes into investment income and the service charge is a credit against expense. North America, on the other hand, treats the charge as a premium.

C. P. Butler said he was expecting to receive from Coroon & Reynolds a statement of the various problems of accounting, etc., that the states face in connection with the installment plan.

Mr. Harrington suggested that it might be just as well to drop discussion of the merits of the plan in N.A.I.C. and let the proposition be handled on a state by state basis. N.A.I.C. could then confine its attention to getting uniformity in the annual statement on matters involving surplus, taxes, solvency, etc. He asked whether the industry could "come to grips" with any aspect of the problem.

Mr. Berry said the business has never backed away from assisting the commissioners and he suggested that the all-industry committee be asked to tackle the matter. Mr. Phillips objected, saying that North America has no representation there. Mr. Berry said every party at interest would have an opportunity to be fully represented, but Mr. Phillips continued to demur, saying that North America should be a voting member of any industry committee on this subject.

Mr. Butler exhorted the group not to abandon the national approach. Other plans are hatching, he said, and many feel that solution of the term discount will solve the installment problem.

An attempt is being made during the N.A.I.C. convention to come to a final decision on the Mutual Benefit Health & Accident-United Benefit Life situation. Representatives of the executive committees of both companies are here and a definite proposal is being submitted to the commissioners for the acquisition by Mutual Benefit of the stock of United Benefit. The proposed purchase price has not been revealed. There are about 200 United Benefit stockholders and it is said about 99% have agreed to sell.

Cleavage on Valuation Method

Sharp cleavage has developed between the life companies on the one hand and the fire-casualty interests on the other over the method to be used in valuing preferred and common stocks for annual statement purposes, it was revealed Tuesday at the meeting of the valuation of securities committee.

The life people have become devoted to the idea of introducing averaging and amortization principles into the valuation of equities so as to avoid fluctuations, which the life companies traditionally abhor. The fire and casualty people, however, want none of this, not even for exclusive application to life statements,

(CONTINUED ON PAGE 22)

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NEWS OF FIELD MEN

W. E. Seely Named in Eastern Mo. by Fire Assn.

Fire Association has named William E. Seely as state agent in eastern Missouri with headquarters in St. Louis. Mr. Seely attended Illinois Tech, and was with Tennessee Inspection Bureau, and for nine years was with Factory Association in Chicago and Philadelphia. Most recently he has traveled in the midwest for Underwriters Service Assn. He is the son of William Seely, western manager of Crum & Forster.

Dithmer New M.L.G. of Indiana Blue Goose

Walter G. Dithmer, assistant manager of Western Underwriters Assn. was elected most loyal gander of Indiana Blue Goose at the annual meeting at Lebanon. Others in the new official line-up are: Supervisor, J. F. Halladay, Western Adjustment; custodian, G. H. Downey, Capital Indemnity; guardian, D. Fitzgerald, Commercial Union; keeper, B. H. Peterson, Automobile, and welder, H. B. Skelton, Rough Notes Co.

G. R. Pritchett, American, the retiring M.L.G., was presented his P.M.L.G. pin and a 25-year badge by J. Ray Hull, American States, most loyal grand gander. G. H. Peet, Western Adjustment, also received a 25-year pin. Mr. Dithmer, who now has headquarters in Chicago, will thus be M.L.G. of the host pond for the Grand Nesting at French Lick, Aug. 7-11.

Hartford Fire Field Moves

George Vandewall, Colorado special agent for Hartford Fire with headquarters at Denver, has been transferred to the Wisconsin field, succeeding J. J. Battle who goes to Jackson, Mich., as special agent. Mr. Battle replaces R. H. Lange, who was transferred to the home office.

Mayflower Names Fisher

Mayflower of Columbus, O., has appointed Benjamin L. Fisher, formerly with Dearborn National, as state agent for Michigan with offices in the Griswold building, Detroit. He will also look after northern Indiana.

Homblebal New Bullfrog

John B. Homblebal, Illinois Inspection Bureau is the new bullfrog of the Springfield puddle of Illinois Blue Goose. The tadpole is Ross J. Harmon, Home, and Wayne S. Sinclair, Aetna Fire becomes croaker.

Hardage to So. F. & M.

R. L. Hardage has joined Southern F. & M. as special agent in Georgia.

Mr. Hardage entered the business in 1938 with a local agency in Atlanta. He spent two years in the army and in 1946 joined Caledonian as special agent in Georgia, Alabama and South Carolina. More recently he has operated his own agency in Atlanta.

Stoops Made L. A. Manager

New Hampshire Fire has appointed Charles O. Stoops resident manager at Los Angeles, succeeding W. L. McCurdy, resigned. Mr. Stoops has been in charge of the Long Beach territory. Edward D. Smith has been transferred from San Francisco to succeed him there.

Ill. Pond Annual June 27

Illinois Blue Goose will hold its annual meeting and golf outing for the Chicago contingent June 27 at Woodridge Country Club, near Downers Grove.

The new officers will be elected following the dinner.

S. F. Blue Goose Elects Parks at Annual Splash

San Francisco Blue Goose at its annual meeting elected as most loyal gander John W. Parks, General Adjustment Bureau. He succeeds H. H. Cobb, Loyalty group. David C. Bogert, Long & Levit, insurance attorneys, became supervisor; William O. Cooper, Underwriters Salvage, custodian; C. A. Mueller, Sequoia, guardian; Francis F. Seitz, Pacific National Fire, keeper, and Laurent A. Loustau, welder.

Seventeen goslings were initiated, 14 of whom are from the newly-organized San Jose puddle. Following the banquet there was entertainment.

Rhode Island Field Men Elect Hopkins President

Rhode Island Field Club at its annual meeting at Providence elected Timothy E. Hopkins, Phoenix-Connecticut, president succeeding Earl M. Haywood, Providence-Washington.

Other officers are Warren R. Campbell, Home, vice-president; Ralph W. Toole, Camden, secretary, and Norman A. Greene, Providence Washington, treasurer.

Travelers Ups Goldsmith

Travelers has promoted William G. Goldsmith, special agent at Kansas City, to assistant manager there. Stanley T. Shaw, special agent at Des Moines, has been transferred to Kansas City. Walter R. Keating, Jr., special agent, has been assigned to the Hartford branch. Eugene N. Kelly has been assigned as special agent to Detroit. He has been in the eastern and agency departments.

Gifford Kansas Farm Special

Willard W. Gifford has been named Kansas special agent for the farm department of Home under State Agent E. H. Fikes, and will have headquarters with Mr. Fikes at Topeka.

Sargent in Conn. Field

Lawton G. Sargent, Jr., an alumnus of Yale, has been appointed special agent of Phoenix of Hartford and Equitable F. & M. with headquarters at New Haven. He will be associated with State Agent Stetson Ward and will travel throughout Connecticut.

Hughes Tenn. State Agent

Phoenix-London has appointed James G. Hughes state agent at Nashville, supervising Tennessee and Kentucky. He succeeds the late W. R. C. Stewart.

Mr. Hughes, a native of Tennessee, has been with the group for 22 years, and for the past few years has been assistant manager of the Chicago office.

Moore to Address Tenn. Meet

W. C. Moore, director of education and research of General Adjustment Bureau, will discuss the relation of field men to loss adjustment work at the annual meeting of Tennessee Fire Underwriters Assn. at Lookout Mountain June 22.

Frank Stewart, Factory Assn., will address Stock Fire Speakers Assn. of Ohio June 19 on "Aspects of Sprinklered Risks."

Portland Graduates Honored

The 101 students completing the property and casualty course offered by Portland (Ore.) Assn. of Insurance Agents were honored at a special luncheon meeting. Diplomas and special prizes were awarded. W. C. Schuppel, chairman of Standard of Portland, was the principal speaker.

Jeffers Licenses

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COMPANIES

Jefferson, New Insurer, Licensed to Write Marine

Jefferson Insurance Co. now has been licensed by the New York department and is ready to start business. The election of officers will be next week. This is the company organized by Dr. Max Wollner, New York City. Some of the money came from abroad. It is starting business with \$500,000 paid in capital and \$500,000 surplus. It will confine its operations, at least for some time, to ocean and inland marine and reinsurance of those lines. It has a broad charter, covering fire and allied lines, marine, and some casualty.

Jefferson Ins. Co. Is New Ark. Institution

Jefferson Ins. Co. of Pine Bluff has just been licensed by the Arkansas department. It starts off with \$50,000 capital and \$50,000 net surplus. Main factor is the head of the Welch-Dunn Co., agency, who is also a finance company operator and auto dealer at Pine Bluff. Arkansas now has three stock companies, the others being Southwest Casualty of Fayetteville, and Riverside of Little Rock.

Reinsurance Corp. Dividend

Directors of Reinsurance Corp. have declared a dividend of 15 cents per share, payable July 14 to stockholders of record July 5.

Hartford Insurers' Dividends

Phoenix of Hartford has declared a quarterly dividend of 75 cents a share, payable July 1 to stockholders of record June 8. Aetna Fire has declared a dividend of 50 cents a share, payable July 1, to stockholders of record June 15.

Central Mfrs. Absorbs Saco

Mutual Fire of Saco, Me., has been merged with Central Manufacturers Mutual. L. G. Purmort has been president of both companies. Mutual of Saco has recently marked its hundredth year of existence.

Founders F. & M. has been licensed to write casualty lines in Texas and Arizona.

MARINE

Approves Gov't Writing of War Risks, Marine Covers

WASHINGTON—The Senate interstate and foreign commerce committee has ordered a favorable report on S.2484, authorizing the Secretary of Commerce, with whose organization the government's maritime setup has been merged, to provide war risk and certain marine and liability insurance, with amendments. The bill had been previously recommended by the maritime subcommittee of the full committee.

Government and marine insurance people are hopeful that in some way favorable House action on this legislation may be secured at this session of Congress. To date, however, opposition of Rep. Weichel has prevented House committee consideration of the measure.

Marine Men Hold Outing

Marine Underwriters of Southern California held their annual dinner and golf tournament at Los Angeles. Gerald E. Hampshire, Balfour-Guthrie & Co., was installed as president; Frank Kane, Wm. H. McGee & Co., as vice-president; W. J. Iliff, Fireman's Fund, as secretary, and Neil Dunning, Marine Office of America, as treasurer.

NEW YORK

P.R. COMMITTEE CHAIRMAN

Walter J. Christensen, Firemen's, has been elected chairman of the committee on public relations and a director of New York Board.

John A. Lynch, Gruber & Lynch, is vice-chairman.

INSURANCE SQUARE CLUB

Insurance Square Club of New York will hold its final spring meeting June 19. Richard Evers is in charge. The annual dance and entertainment will be held Dec. 1.

MAY NEW YORK LOSSES

May losses in New York Board territory numbered 412 for \$1,229,350, up 33.8% in number and 47.7% in amount. For five months the number is 2,256 for \$7,448,310, up 31.5% in number and down 24.1% in amount compared with the like period a year ago.

\$65,000 LOSS

The insured loss on Frost Refrigeration, Inc., at 350 Pearl street, Brooklyn, is expected to run \$65,000 as a result of fire which destroyed radios, television

sets, etc., at that address in the early hours of the morning. It is a committee loss and Larry Dameron, independent adjuster, is handling it.

Nebraska Approves 10% Auto Collision Rate Cut

Director Stone of Nebraska has approved the 10% reduction in automobile private passenger collision rates recommended by National Automobile Underwriters Assn.

The reduction applies to the classification defined as non-business use where all operators of the automobile are over 25 years of age. It is estimated that the premium savings will be \$250,000 annually.

Hold N. C. Agents' School

North Carolina Assn. of Insurance Agents has completed a successful week-long agents' school at the University of North Carolina. The introductory and agency management courses of the National association were given as well as fire and allied lines, automobile and fidelity and surety of the standard course.

Discussion leaders included John F.

Neville, National association; Richard E. Farrer, educational director National Fire; John N. Cosgrove, assistant secretary American; T. W. Dickson, superintendent automobile liability, and R. A. Odorisio, superintendent automobile department, both of North America, and Commissioner Cheek.

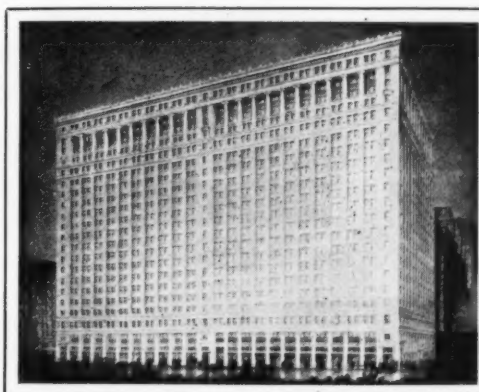
Channing Forum President

SAN FRANCISCO—Russ Channing of Crum & Forster was installed as president of Fire Underwriters Forum at the annual banquet June 13. He succeeds Philip Kingsley, Fireman's Fund. Edward Prestly, Atlas, is vice-president; Edward Collins, Retail Credit Co., secretary, and William Cox, Phoenix, treasurer.

An elaborate program of entertainment was presented under the direction of Sigmund Arndt of Finn, Smith & Medcraft.

Insurance Square Club of New Jersey will meet at Newark, June 19.

Erle & Niagara County Farmers Insurance Assn., a mutual operating principally in rural areas in western New York, celebrated its 75th anniversary at Buffalo. Speakers included T. J. Calogero, acting deputy insurance superintendent, and George M. Reimer of Hamburg, company president.



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The Insurance Exchange Building, because of its imposing architecture, its standards of service and the uniformly high character of its insurance tenants, is nationally known as the Middle West's most distinguished insurance address.

Inquiries regarding office space presently available, or which may be available at a later date, are invited from well established and responsible firms in insurance and allied lines seeking a desirable, convenient and strategic Chicago location.

INSURANCE EXCHANGE BUILDING

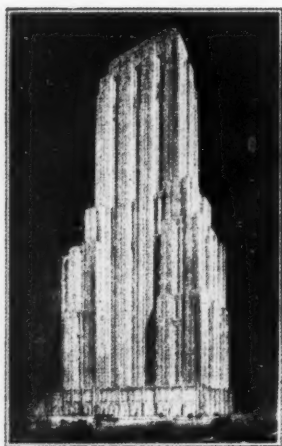
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Management Agent

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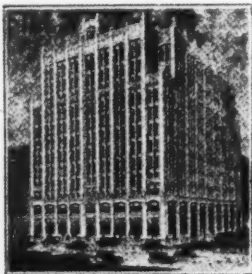
Palmolive Building
Holabird & Root, Architects



Medinah Athletic Club
Walter W. Ahlschlager, Architect



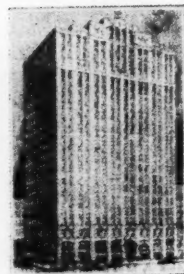
1500 Lake Shore Drive
McNally & Quinn, Architects



300 W. Adams Building
Jens J. Jensen, Architect



Hotel McCormick
E. J. Males, Architect



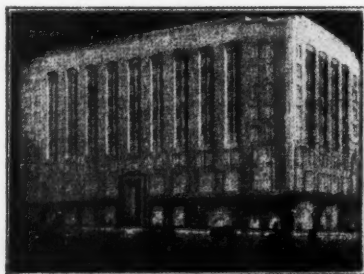
Jackson-Franklin Building
A. B. Alschuler, Architect



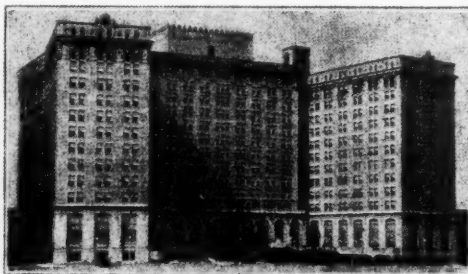
Stop & Shop Building
Schmidt, Gordon & Eriksen, Architects



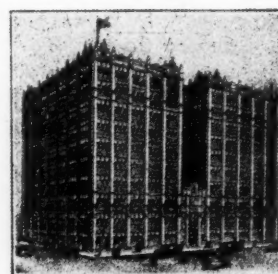
Holmes Garage
Davis D. Meredith, Architect



Michigan Square Building
Holabird & Root, Architects



Sheraton Hotel
G. H. Gottschalk Co., Engineers



1900 Building
A. B. Alschuler, Architect

We at the American Glass Company Take Pride in the Fact That We Have Installed the Largest Buildings in Chicago

We also represent the KAWNEER METAL COMPANY, using the best Kawneer material on the remodeling, building and maintenance of Chicago's finest store fronts.

We fully recognize that one of the main values of plate glass insurance is the replacement service . . . and in offering that type of service, you can always be certain that American Glass Company will act promptly and efficiently as soon as you call.

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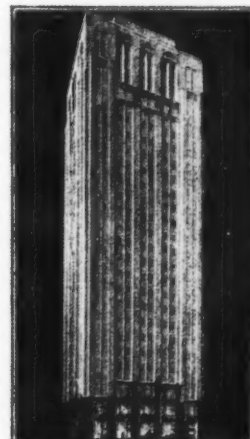
Recognition Is Merited By Our Service



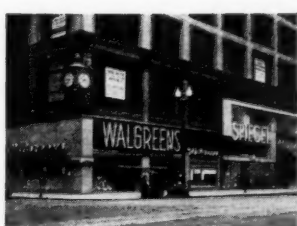
222 West Adams St.



American Medical Assoc. Addition

Burleigh Building
Holabird & Root, Architects

North Side Housing Project



State & Madison Streets



Stouffers Restaurant



N.E. Corner Randolph & State



Arrowhead Oldsmobile



Reynolds Aluminum



Nodell Motors



Boulevard Buick

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Buildings in Chicago as Shown Above

Fast, dependable replacement of plate glass with the least inconvenience to your clients — a fleet of high-powered trucks — years of plate glass experience — an organization dedicated to service — all these factors have made the American Glass Company the outstanding leader in the Chicago plate glass replacement field. For the best in plate glass —

MAWK 4-1100

BENJAMIN, President

American Glass Company
1111 N. BRUSH STREET - CHICAGO

MEMBERS OF THE CHICAGO BETTER BUSINESS BUREAU

EDITORIAL COMMENT

Maintenance Costs and Self-Insurance

While on the subject of deductibles and self-insurance, there ought to be pointed out to management that is pondering the idea of self-insurance of the fire and related hazards a treacherous undertow that develops in connection with many such adventures but that usually escapes consideration when the original decision is made. This has to do with the separation of maintenance costs and losses that are correctly chargeable to the self-insurance fund.

Where the maintenance people are strong in an organization there is natural and effective pressure applied to saddle the fund with just as much in the way of maintenance cost as possible. That can be and often is a substantial amount. Also, when times get tough and the desire is to sweeten the operating results, the self-insurance fund can be exploited. It can be drawn on for maintenance costs and a deceptively agreeable facade presented, but the stockholders would not be informed that the insurance fund had been depleted and that there had been created something akin to a contingent liability.

On the other hand, if the friends of

the self-insurance fund are influential, and this is likely to be true in the early days, they will bend every effort to make the results prove their thesis and they will tend to resist charges against the fund that would actually constitute true insurance claims.

Before making an excursion in the field of the deductible and self-insurance management needs to take account of all the subsurface but nonetheless real consequences of such a departure. It is not simply a matter of comparing the premium for regular insurance (keeping in mind the variable feature of that factor) with the cost of catastrophe cover, which incidentally is not a dependable constant, plus the cost of administration of the fund, and the projected range of primary losses to be absorbed.

Such simple mathematical calculations may well be deceptive because they do not comprehend the many services that the professional risk bearer and its agents and brokers provide and the problems it disposes of that the self-insured has in the first instance to furnish for himself and in the second instance has to resolve by himself.

Touching the Vital Spot

The astute solicitor, in making an approach in his insurance work and especially when he is canvassing a man whom he does not know so well, forgets himself as far as possible and talks to the other man about his own affairs. Everyone is vitally interested in something that concerns himself. If the solicitor can touch the vital spot there will be an immediate response. If, on the other hand, the solicitor exploits his own achievement or endeavors to center more or less attraction on himself he shows that he is not adept in sales psychology. For instance, a solicitor feels that if he can once get the attention of an executive that has the placing of the insurance in a moderate sized concern he would be able to impress him with the fact that he knows his business, can extend the right kind of service and will look after him in the best shape.

Suppose, instead of bringing up the insurance subject a rather deft conversation is started, about as follows:

"Mr. Jones, I have known of your concern here for a long time, admired your methods and appreciate your success and your contribution to the community. In my business I endeavor to

study modern methods of merchandising and handling business, of creating new markets. A mutual friend was telling me the other day that you were very alert, that you were on your toes, that you knew how to handle your organization and I thought I would drop in, become acquainted with you and perhaps you could give me a few minutes just to tell me something of your methods. I know something of your history. I know that you were born and raised on a farm, that you had to work hard, that you started with your company here some 20 years ago and that you have been one of the big factors in it.

"In my business we should learn something about all other businesses that we can. Your product has to do with people in their normal state. Mine only comes to light when one is in trouble and has a loss. Therefore while there may be differences to some extent as to how we market our separate wares, it assists me much in talking with my customers and others to know how a really successful institution is operated. I do not aim to tell other people how they should run their business but when I do see an idea that is worth while I like to pass it along. I

wonder if you could tell me how you make contracts with customers, what sort of advertising you do."

This is an opener so that very delicately a man can lead into some phase of insurance that may interest the person approached. He can bring up, for example, the fact that the government is forcing concerns to pay out more of their undistributed income and therefore they are not able to maintain the reserve or financial ballast that they have in the past. Therefore insurance seems to be more essential and furthermore,

inasmuch as insurance premiums can be deducted the government really pays a certain percentage of the insurance premium because the income tax is lowered proportionately. When a solicitor approaches a man little known to him it will be well to get as much information about him in a personal way before the call is made. The whole tenor of the initial conversation should be dealing with the other man's affairs and insurance should be eliminated just as far as possible until a proper opening is made.

PERSONALS

Two members of the home office staff of Aetna Life companies observe their 25th anniversaries with the organization this week. They are **Nels M. Valerius**, assistant actuary of Aetna Casualty, and **William J. House**, assistant superintendent of the eastern marine department of Automobile and Standard Fire.

Mr. Valerius was graduated from Trinity College. He joined Aetna in the liability underwriting department, and was appointed assistant actuary in 1947. Mr. House became an underwriter in 1943 and was promoted to assistant superintendent in 1948.

Philip N. Cooney, vice-president of North America, has been elected a director of Provident Mutual Life.

John G. Case of Columbus, O., secretary-treasurer of Mayflower, who has been ill eight weeks, is much improved and expects to leave the hospital this week.

Kent A. Smitheman, son of **Clark W. Smitheman** of the advertising and public relations department of North America companies, and Mrs. Smitheman, has been graduated from Rutgers University with a B.S. degree and a Phi Beta Kappa key. He is also a member of Sigma Xi, national honorary research fraternity and a member of the New York Academy of Sciences. This fall he will become a teaching assistant in chemistry at Iowa State College.

Robert Wilde, son of **Reginald W. Wilde**, vice-president and superintendent of agencies of Corroon & Reynolds, has graduated from Wabash College at Crawfordsville, Ind.

Chester W. Hall, president of Northwestern F. & M., had his picture and a writeup on his 67th birthday anniversary in the birthday column of the Minneapolis Tribune.

Massachusetts Passes Anti-Coercion Bill

The Massachusetts legislature has passed the anti-coercion bill with an amendment attached by the senate which gives lenders power to disapprove the buyer's choice of a company or a policy, but not to dictate the choice of a particular company.

Backed by Massachusetts Assn. of Insurance Agents and Insurance Brokers Assn. of Massachusetts, the bill originally was killed in the senate before being passed as amended.

Three Provinces Bar Sask. Government's Insurer

TORONTO—The provinces of Ontario, Alberta and British Columbia have turned down licensing requests from the Saskatchewan government affiliate, Saskatchewan Guarantee & Fidelity. This latter company was purchased by the provincial government several months ago in order to expand its insurance activities elsewhere in Canada. The provinces refused licenses to Saskatchewan Guarantee on the ground that a commercial business owned by one province should not be allowed to operate in another.

Plan Tenn. Regional Schools

NASHVILLE—Tennessee Assn. of Insurance Agents is planning a series of regional schools for early September, replacing the one school previously held in cooperation with University of Tennessee at Knoxville. Three or four schools will be held.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
June 12, 1950

	Div.	Bid	Asked
Aetna Casualty	3.00	99	101
Aetna Fire	2.20*	61 1/2	63
Aetna Life	2.50	59 1/2	61
American Alliance	1.20	25 1/4	26 1/4
American Auto	2.00	47	50
American Casualty	.80	18 1/2	20
American (N. J.)	.90	21 1/2	22 1/2
American Surety	3.00	61	63
Boston	2.40	60	62
Camden Fire	1.15*	22 1/2	23 1/2
Continental Casualty	2.50*	74	75 1/2
Fire Association	2.60	66	68
Fireman's Fund	2.60	88	90
Firemen's (N. J.)	.60	21 1/2	22 1/2
Glens Falls	2.00*	52	54
Globe & Republic	.50	13	14
Great Amer. Fire	1.30*	30	32
Hanover Fire	1.60	34	35 1/2
Hartford Fire	2.50*	118	120
Home (N. Y.)	1.60	37 1/2	38 1/2
Ins. Co. of North Am.	2.50*	107 1/2	109
Maryland Casualty	.80	20 1/4	21 1/4
Mass. bonding	1.60	30	31 1/2
National Casualty	1.50*	32 1/2	34
National Fire	2.50*	63	65
New Hampshire	2.00	44	46
New Amsterdam Cas.	1.20	38	40
North River	1.20	25 1/2	27
Ohio Casualty	1.20	60	Bid
Phoenix, Conn.	3.00*	77 1/2	79 1/2
Preferred Accident	...	4 1/2	5 1/2
Prov. Wash.	1.40	33	34 1/2
St. Paul F. & M.	2.60	96 1/2	98 1/2
Security, Conn.	1.60	34 1/2	36
Springfield F. & M.	2.00	44 1/2	46
Standard Accident	1.60	36	38
Travelers	12.00	477	485
U. S. F. & G.	2.40	52	54
U. S. Fire	2.00	66	68

*Includes extras.

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PUBLISHED EVERY THURSDAY

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John Z. Herschede, Treasurer. 420 E. Fourth St., Cincinnati 2, Ohio.

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Business Dept.—Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.
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PITTSBURGH 23, PA.—503 Columbia Bldg. Tel. COURT 2494. Jack Verde Stroup, Resident Manager.
SAN FRANCISCO 4, CAL.—507 Flatiron Bldg. Tel. EXbrook 2-2054. F. W. Bland, Pacific Coast Manager.

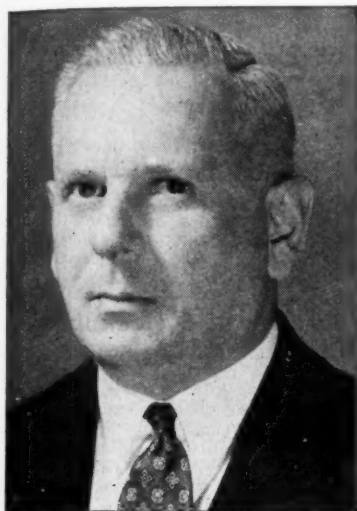


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DEATHS

ARTHUR B. NICKERSON, vice-president in charge of casualty operations of Maryland Casualty, died after a lingering illness. He joined the company in 1909. In addition to serving, progressively, as general clerk and re-



ARTHUR B. NICKERSON

placed in the burglary claims department, he secured a law degree at University of Maryland. After a tour of duty as claims examiner, Mr. Nickerson was appointed manager of the burglary claims department in 1920, manager of property damage claims in 1924 and manager of the automobile department in 1925. In his 19 years in charge of the auto department, he was responsible for a number of underwriting innovations adopted by the company and the entire casualty business. He was elected vice-president in charge of casualty operations, including underwriting and engineering, in 1944.

ORVILLE DAVIES, 55, retired vice-president of Motors Insurance Corp., died in his New York City apartment, apparently as the result of a heart attack. He retired last year after being with the General Motors organization 30 years.

MAURICE L. JENKS, 69, retired vice-president of American Surety, died at Clearwater, Fla. At his retirement in 1947, Mr. Jenks was vice-president in charge of the metropolitan branch office. He had been with the company 43 years.

HARVEY B. ASHENFELDER, 44, superintendent of the brokerage department in Chicago for North America, died at Augustanna hospital.

Mr. Ashenfelder had been with North America since 1917, starting at Philadelphia. He was with the brokerage department in New York before being transferred to Chicago in 1943.

J. W. TEAGARDEN of Dallas, Texas, manager of U. S. F. & G., died Monday of injuries suffered in an automobile accident. For many years he had been the leader in stock casualty ranks in Texas and was a mainstay in legislative and insurance department liaison affairs.

WALTER R. ZENER, independent adjuster at Albuquerque, died in a crash of his plane which he was piloting to the funeral of his father. Mr. Zener had flown his own plane for eight years to enable him to commute between his branch offices at Hobbs, Roswell, and Santa Fe, N. M., and Denver and Pueblo, Colo.

THOMAS J. TERNAN, JR., who was appointed manager at Brooklyn by Fidelity & Deposit last month, died suddenly from a heart attack. Mr. Ternan had been with F. & D. 26 years, starting as contract bond solicitor at Philadelphia where he became special representative in 1930. In 1939 he was

placed in charge of the service office at Rochester, N. Y. He became assistant manager at Syracuse in 1942 and two years later went to the home office as special representative in the agency department. He was named associate manager at Philadelphia in 1947 and manager there that same year.

GEORGE WELMAN, 70, chief electrical inspector of Louisiana Rating & Fire Prevention Bureau, with which he had been associated for 44 years and of which he was the oldest employee, died at New Orleans. He started with the electrical department of the bureau of 1906 one year after it was organized.

HYMAN J. FOGEL, 60, who operated the Hyman J. Fogel & Son agency at Buffalo for 28 years, died there. He started in insurance at Syracuse and went to Buffalo 33 years ago. He also was assistant secretary of the Charles F. Joyce Co.

HARLAND LeCOUNT, 59, for 25 years a local agent at Hartford, Wis., died of coronary thrombosis.

HAROLD M. GARDINER, 61, Columbus, O., local agent, died at his cottage at Otsego Lake, Mich. He was a graduate of Ohio State University and played football there in 1912 and 1913.

WARREN Y. CLUFF, 66, Montclair, N. J., insurance broker and church and civic leader, 37 years, died there.

S. STUART BUCHHOLZ, 48, a member of the William A. Simpson & Son agency, Philadelphia, died there. He had been with the agency 27 years.

Two New National Board Films Ready

Two new motion pictures to further the public relations program of the stock fire business have been produced by the National Board.

One, an 18-minute film of the documentary type entitled "These Are The Facts," tells graphically of the public services of the fire companies and shows the role fire insurance plays in the nation's economy.

The other, "The Torch," is an unusual fire prevention film, utilizing a new color cartoon technique. Both films will be available in the 16-mm. size for distribution.

"These Are The Facts" is the first film to deal broadly with the public services rendered by the fire companies. It shows the inspections of fire departments and cities, the surveys of hospitals and schools, the development of building codes, the research into new fire hazards and the public informational work done to prevent fires due to carelessness.

Scenes were filmed at West Palm Beach, Fla., to show the emergency offices set up by companies to speed the payment of claims due to hurricane losses, and other scenes were filmed at Underwriters' Laboratories in Chicago and New York to show the rigorous testing that stands behind the insurance-sponsored Underwriters label.

Fire department scenes were filmed at Hartford and at Red Bank, N. J.

"The Torch" is a humorous film, showing that there is human carelessness in everybody, and this carelessness is responsible for most fires. The semi-

Fight Illinois Plan for City Tax on Business Men

It appeared virtually certain Wednesday that Governor Stevenson of Illinois would call a special session of the legislature which along with two other objectives would be aimed at permitting municipalities to license and tax all types of businesses and professions.

Chicago has had on its books since 1937 an ordinance taxing insurance brokers \$37.50 a year but has been unable to enforce it because the necessary enabling legislation from the state was lacking.

Insurance leaders are aroused about this program and are actively opposing it.

animation technique used in the film will make it easily adaptable to television broadcasting. The film will be made available to all stations.

Both films will be available for bookings from the National Board free film lending library after June 1. This library is maintained at the Bureau of Communications Research, 13 East 37th street, New York, and all requests from east of the Rockies should be sent there.

West of the Rockies, requests should be sent to the National Board, 1014 Merchants Exchange building, San Francisco 4.

Join North America Veterans Club

H. Richard Heilman, assistant vice-president of North America; V. L. Montgomery, manager at Chicago, and J. J. Moore, manager at Baltimore, are among 10 employees of the North America who will be inducted this month into the company's Quarter-Century Club.

bringing the club's total membership to 473. Others who also have served 25 years with the North America, include: William E. Birchall, Donald M. Doughty, Samuel L. Farson, Irene W. Herbster, Violet I. Hugaro, Herman B. Willaredt, and Hugh M. Witt.

Moore Agency Has Changes

Raymond W. Peterson, formerly with Aetna Casualty as field representative, has joined the Myron T. Moore agency of Youngstown, O. The Moore agency has purchased and absorbed Kennedy Insurance Service at Youngstown, and the Moore offices have been moved from the Realty building to 813 Mahoning Bank building. The agency writes fire, casualty and allied lines.

Howard W. Weiss, for the last eight years with the Roberts Co., Milwaukee agency, has been elected secretary of the agency.

Air Cargo Insurance



BOEING STRATOFREIGHTER

WHEN air cargo moves at three miles a minute—and every minute means money—then air cargo insurance service must move at the speed of flight, too.

But, as in aviation itself,—speed and precision in insurance service require years and years of practical experience and a world of knowledge. And a mind open to change!

That is why our policies, which protect shipments everywhere, are not only firmly based on sound insurance principles;—but are kept in step with rapidly changing air transportation developments at all times.

Let us aid you in maintaining proper air cargo coverage for your clients.

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Williams New Head of Ill. Field Group

The new president of Illinois Fire Underwriters Assn. is Harold W. Williams, American. He succeeded Robert K. Johnson, Aetna Fire, at the annual meeting at Urbana, June 7-8.

X. R. Royster, Hartford, is the new vice-president, and named to the executive committee were W. P. Atherton, Commercial Union; A. R. Goodall, National Union; F. L. MacLeod, Hanover

and J. R. Mitchell, Scottish Union. Mrs. Ruth Hertz was reelected secretary.

About 75 attended the meeting. Talks were given by Capt. Fred Kemp of the Chicago Fire Insurance Patrol; Prof. Robert I. Mehr, head of the insurance department of the University of Illinois, and Walter G. Dithmer, assistant manager of Western Underwriters Assn.

A report on the activities of Illinois Fire Prevention Assn. was given by H. A. Elkin, Camden, the secretary.

Among the guests were Fred Payne and Walter Hanson of the Illinois department.

Planet Makes Several Changes at Four Branches

Planet has made several changes at branch offices.

At Chicago, J. S. Richardson, who is resident vice-president for Standard Accident, also has been made resident vice-president for Planet. Don W. Clapp, manager for Standard Accident, becomes manager for Planet.

At the New Jersey branch, J. M. Darling, resident vice-president in charge of general operations for Standard Accident, also becomes resident vice-president for Planet. D. C. Erwin, manager, will now serve in a similar capacity for Planet.

At Philadelphia, S. J. Carr, now resident vice-president for Standard Accident, becomes in addition resident vice-president for Planet.

At New York, G. I. McCredie, resident vice-president in charge of general operations for Standard, has been made resident vice-president for Planet. W. E. Taefner, manager, also becomes manager for Planet.

count, the sentences to run concurrently.

The five counts of embezzlement to which Eiserman confessed involved a total of \$15,720. The U. S. district attorney told the court that Eiserman had signed a statement admitting that he had converted \$82,445 to his own use, while records in his office had indicated there was a total shortage of \$102,383. Maryland Casualty is said to have been on the bank's bond.

Gulf Plans Coast Rally

Gulf will hold its first Pacific Coast field conference at Los Angeles, June 22-23.

T. R. Mansfield, president; J. D. Daniels, vice-president in charge of the automobile department, and August Buchel, vice-president in charge of fire underwriting, will lead the conference. Vernon C. Fargan, vice-president in charge of the Pacific Coast department, will preside.

New Cal. A. & H. Rulings

LOS ANGELES—Commissioner Downey has issued a bulletin and two rulings to A. & H. companies in California covering the new standard provisions law and changes in the unemployment compensation disability act.

In his bulletin No. 97, Mr. Downey points out that since the enactment of the standard provisions laws, the department has been engaged in preparation of rules and has had many conferences with members of the A. & H. industry. However, it is apparent that it will not be possible to have an adequate set of rules promulgated and in force on July 1, the effective date of the act. It is understood that the companies will withhold their new policy forms until an adequate set of rules can be laid down.

In his rulings the commissioner points out changes in the UCD bill and amendments to the regulations on standard provisions for group disability policies.

Lorber Party for Herbert Hoover

Herbert J. Lorber of Rollins, Burdick, Hunter in Chicago is co-sponsor of the national junior chamber of commerce of a cocktail party in honor of Herbert Hoover, who is to address the national convention of that group at Chicago. The party is being given on June 17 at the Stevens hotel and will be attended by outstanding Chicagoans.

Bid on Ore. State Auto Line

In the bidding for the automobile B.I. and P.D. fleet coverage of the state of Oregon, General Casualty, bidding through Dooly & Co., was low with \$64,881. Pacific Indemnity bid \$69,999, Transport Indemnity \$86,094, Farmers of Los Angeles \$89,896 and Travelers \$87,651.

Clifford A. Robinson celebrated his 50th anniversary with the Factory Insurance Assn. Mr. Robinson started as office boy. He is senior field engineer in the Hartford office and the second employee of the office to gain the half-century mark.

HARRY S. THOMAS, 73, a former director of Rollins, Burdick, Hunter, Chicago, died at a sanatorium in Eureka Springs, Ark. Mr. Thomas had been retired for a number of years. A few months ago, he sold his home in Highland Park, Ill., and went to Eureka Springs for his health. He had been in insurance in Chicago since the turn of the century when he was mustered out of the army following the Spanish-American War. He was with Rollins, Burdick, Hunter for many years.

HINE'S INSURANCE COUNSEL

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Milwaukee, Wisconsin

Bell Made Fresno S. A.

Melvin K. Bell has been named special agent for New Zealand at Fresno, Cal., replacing Oliver D. Smith, who resigned to open his own local agency there.

Hall in New Connection

Frank B. Hall, Jr., has joined Despard & Co., brokers and average adjusters, at New York. He studied in Europe and after the first world war entered the U. S. diplomatic service, later becoming affiliated with Lloyds in London. Since returning to this country he has been with Frank B. Hall & Co., founded by his father more than 50 years ago.

Faha in Illinois Field

Glens Falls Indemnity has appointed Fred W. Faha special agent for Illinois, outside of Cook, DuPage, McHenry and Lake counties, with headquarters at Chicago. He went with Glens Falls four years ago after army service and he has been in underwriting work at the home office.

His headquarters are in the central department, 175 W. Jackson boulevard, Chicago.

Urges Planning in Sales

Scientific planning, particularly through a study of the local market and its future, can be applied to sales of insurance just as it has been applied to marketing problems of other businesses, Frank Lang, manager research department Assn. of Casualty & Surety Companies, said at the summer meeting at Poland Spring, Me., of New England Assns. of Insurance Agents. Mr. Lang stressed also proper planning of office records and systems to facilitate sales effort.

Map Brake Safety Drive

National traffic safety leaders and hydraulic brake experts of Genesee Research Corp. of Rochester, N. Y., met in New York City at dinner to formulate a nationwide program for educating the driving public to the positive hazards of faulty auto brake checkups. Assn. of Casualty & Surety Companies sponsored the dinner and Julien H. Harvey of that group's accident prevention department was chairman.

Sentence Bank Embezzler

SPRINGFIELD, MO.—Bethel W. Eiserman, 52, former president of Security Bank of Branson, Mo., and a leader in the civic and religious life of that community for many years, in the U. S. district court here pleaded guilty to five counts of embezzlement and five counts of making false entries in bank records. He was sentenced to serve five years on each

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The NATIONAL UNDERWRITER

CASUALTY and SURETY SECTION

June 15 1950
PAGE 19

CONNECTICUT PANEL

Building Costs Zooming; Replacement Topic Aired

The trend in building costs has been sharply upward in recent weeks, Edward E. Bray, president of the Edward E. Bray Co., general contractors, Bridgeport, told the Connecticut Assn. of Insurance Agents at its midyear meeting in Greenwich. Mr. Bray was a member of a panel on replacement costs which was moderated by Philip Bliss, Middletown, vice-president of the association. The other members were Leo E. Bronson, independent adjuster, New Haven; J. T. Foerth, comptroller and assistant treasurer of the Bassick Co., Bridgeport, manufacturers of casters, and Kenneth L. McCallum, general adjuster of Travelers Fire.

By 1945 building costs had gone sky high, Mr. Bray said, but by 1947 they had gone completely through the ceiling. A year ago they started down, but in the last two months they have begun to climb again, and if the same rate of increase continues for another month they will be back to 1947 levels. For example, he said, two months ago he could buy dimensional lumber at \$88 per thousand. Today the cost is \$125. The increase has been about the same whether frame or masonry and steel.

Agents showed a lively interest in problems concerning depreciation, replacement, insurable values, etc.

Some Partials Not Depreciated

Is it possible to have partial loss not subject to depreciation? Mr. Bronson said it was; a brick wall, plaster or glass windows might be destroyed by fire. If they were in good condition, they would not be subject to depreciation.

How are replacement costs figured on tools, machinery and dies? Mr. Foerth said that his company goes to its own tool and machinery people for an up to date value on a special piece of machinery. As to tools, his firm figures that these are at full value at all times. A tool that is making a product is as good to-day as it was 10 years ago, if it is kept in good repair. The Bassick Co. covers its tools at full value as of today's replacement costs.

Mr. Foerth added that functional factors may have a good deal to do with replacement cost of machines. Physical deterioration is not the dominant depreciation element. Obsolescence is an important factor.

When the replacement form was first promulgated, Mr. McCallum said, it was thought that if insured with a frame building could replace it with brick there would be a moral hazard. However, the language in the form on this point was confusing, particularly since it is a general objective in the fire business to encourage better buildings. Consequently the form was revised so that if insured constructed a better building, the coverage reimburses him for the replacement cost of the building destroyed without depreciation, and he can construct a better type of building.

Differences in Contractor Bids

There are several explanations for large differences in contractors' bids, particularly where the loss involves a new building, Mr. Bray said in response to another question. One reason for differences is the amount of competition at the moment between contractors available to bid on the job. If the building has been destroyed by fire, there is usually in addition quite a mess so that the contractor has to do some guesswork in determining replacement needs. Naturally the owner wants a brand new, up to date building, while the adjuster is trying to do the best job he can.

Frequently bidding is a matter of guesswork.

On antiques, can insured ever claim appreciation instead of depreciation? Mr. Bronson said insured was entitled to his loss under the fire policy, which is the value of the article destroyed at the time of the loss. The cost of the item originally does not matter much. The answer is, under the proper circumstances he may claim appreciation.

What is the proper value for a 200 year old house? Mr. Bray said it would be determined in the same way as of any other structure. Mr. Bronson added, however, that this is an important question. It is quite possible that a building 200 years old might be worth more than a new building. For example, it might be necessary to search the countryside for special timbers. A structure of that age could fall into the class of an antique.

DEPRECIATION

What consideration is given depreciation as that item is set up on insured's books, in adjusting a loss? Mr. Foerth cited an example. At one time his firm was 87% depreciated on its books. Generally a firm's books overdepreciate assets. The book figure is grossly understated for insurance. An appraisal effected by his company showed that net sound value of building was four times book value and the net sound value of machinery, equipment and office furnishings and fixtures was three times the net depreciated value shown on its books.

As to the difference between depreciating buildings and machinery, Mr. Foerth pointed out that buildings have a life of 50 to 100 years while machinery and equipment generally have a life of 10 to 20 years.

Effect of Obsolescence

When a fire loss is being adjusted, Mr. Bronson said that obsolescence is only one form of depreciation. In response to another question, he said there are appraisals for several purposes, such as mortgage, tax, and estate, and these are therefore not of much use in making an insurance appraisal.

What bearing has purchase price on sound insurance value? Mr. McCallum said it is only one evidence of value. The real interest of the adjuster is in today's value.

One agent had an experience with an insured who purchased a 30 year old house for \$35,000 and bought that much insurance to cover. There was a fire. The sound value of the house was determined on adjustment to be \$50,000 and since this was in New York the adjuster had to apply coinsurance. Mr. McCallum commented that in this case insured had got a bargain but had failed to insure it to its proper value.

Is depreciation ever exacted on partial repair items such as ceiling, walls, etc.? Mr. Bronson said it is. If the ceiling is in poor condition, or walls are about ready to fall over, then depreciation is applied.

Cube Foot Cost Formulae

Can a cube foot cost be used by agents for various types of construction? Mr. Bray said there are available such cubic foot cost tables, but it takes a good building estimator to use them satisfactorily. He advised agents to let the builder do it.

In establishing value for a dwelling
(CONTINUED ON PAGE 20)

Voluntary Health Insurance Topic of A.M.A. "Ad" Drive

A \$1,110,000 nation-wide advertising campaign in behalf of voluntary health insurance and against socialized medicine, to start in October, has just been authorized by the trustees and campaign coordinating committee of American Medical Assn.

Whitaker & Baxter, who are in charge of the campaign, state that A.M.A. is embarking on a nation-wide advertising program for two reasons: "First, it is determined to aid in every way possible in increasing the availability of good medical care to the American people through the medium of voluntary health insurance. In that respect, the advertising copy will be designed to make the American people 'health insurance conscious' and to encourage the extension and development of prepaid medical and hospital care as a means of taking the economic shock out of illness. Second, American medicine is determined to alert the American people to the danger of socialized medicine and to the threatening trend toward state socialism in this country.

"The 'ad' copy, in part, will be designed to sell a commodity, voluntary health insurance, but not any particular brand or plan. The individual will be encouraged to secure sound coverage in the plan which he feels best suits his individual needs. In its second aspect, the 'ad' copy will be used to mobilize public opinion in support of a basic American ideal—the principle of individual freedom, as opposed to the alien philosophy of a government-regimented economy."

Of the total advertising budget of \$1,110,000, \$560,000 is allocated to newspapers, \$300,000 to radio and \$250,000 to national magazines. The newspaper advertising schedule calls for blanket-coverage of every bona fide daily and weekly newspaper in the United States—approximately 11,000. In all, about 30 leading national magazines, and a score of advertising trade publications, will be included in the magazine program.

The radio program calls for an intensive "spot announcement" campaign on some 300 radio stations, covering every state and Hawaii and Alaska.

Views Compulsory Disability as a Company Opportunity

M. W. Zucker, director of the governmental affairs department of the Commerce & Industry Assn. of New York, told the members of the Insurance Board of Cleveland that the writing of state compulsory disability benefits is neither a bonanza to insurance companies nor is it an unwelcome chore to be approached grudgingly. He described such coverage as an opportunity and a challenge for insurance carriers to prove they can write this social insurance more efficiently and with greater benefit to the people than can any government agency.

Mr. Zucker said the theory emanating from Washington has been exploded that disability costs in the poor-risk industries are so high that these industries must be subsidized by others through processes such as the use of a flat average premium rate tax. He declared that the insurance companies have been selling disability benefits coverage for many years without any compulsory statute and know that adjustment of premiums to the particular risk is practical.

Potter Named at N. O.

Home Indemnity has named Harry O. Potter special agent and underwriter at New Orleans.

Bankers Group Lists New Suggested Bond Schedule

Committee Remarks on Losses in Excess of Capital Structure

A new suggested schedule of minimum amounts for bankers blanket bonds has been put out by the insurance and protective committee of American Bankers Assn. In its report, the committee notes that 11 banks with deposits of less than \$10 million have suffered losses in excess of their capital structures in recent years. The new suggested schedule is the result of a national study.

In seven of the 11 banks, the committee said that capital funds ranged from \$41,000 to \$176,000 and deposits from \$532,000 to \$3,873,000. Directors of smaller banks in these unusual situations should consider carrying blanket bonds in amounts sufficient to protect their capital funds rather than the lower amounts suggested in the schedule, the committee recommended.

Most Practical Shock-Absorber

In previous reports on bond coverage, the committee said that it has repeatedly declared that banks are semi-public institutions and their capital funds were never intended to withstand the shock of heavy, uninsured loss. A reasonably ample amount of blanket bond indemnity is the most practical type of shock-absorber for losses which may wipe out the entire capital structure.

In applying the schedule of suggested coverage, banks that operate branches may deduct the total amount of deposits at all branches or the amount of deposits at the head office, whichever is the lesser, the committee said.

(000 omitted)

Banks with Deposits of	Suggested Range of Minimum Amounts
Less than 300	\$10 to \$20
\$300 to \$500	20 to 30
500 to 750	30 to 40
750 to 1,000	40 to 50
1,000 to 1,500	50 to 65
1,500 to 2,000	65 to 80
2,000 to 3,000	80 to 100
3,000 to 5,000	100 to 125
5,000 to 7,500	125 to 150
7,500 to 10,000	150 to 175
10,000 to 15,000	175 to 225
15,000 to 20,000	225 to 275
20,000 to 25,000	275 to 325
25,000 to 35,000	325 to 400
35,000 to 50,000	400 to 500
50,000 to 75,000	500 to 650
75,000 to 100,000	650 to 800
100,000 to 150,000	800 to 1,000
150,000 to 250,000	1,000 to 1,500
250,000 to 500,000	1,500 to 2,000
500,000 to 1,000,000	2,000 to 3,000
1,000,000 to 2,000,000	3,000 to 5,000
Over 2,000,000	5,000 and up

Westair Cover in London

Insurance on the Westair plane which crashed in the Atlantic last week with the loss of a number of Puerto Rican passengers who were headed for farm work in Michigan was carried in London.

Civil suits in behalf of surviving relatives of 16 persons who were among the 54 killed in the Atlantic Ocean crash of a plane operated by Strato-Freight, bound for Puerto Rico in 1949, were filed in federal court in Newark for a total of \$1,800,000. The airline went out of business at the direction of Civil Aeronautics Board following the crash.

Proposed Federal Bonding Bill Poses Problems

By HENRY HALLAM

WASHINGTON — H.R. 8706, the government employe bonding bill, reported favorably by the House committee on expenditures in executive departments, is thought to have a good chance of passage by Congress. It provides for a system of government procurement of and payment of premiums on surety bonds for government employes.

If enacted, questions of paramount interest to insurance people will be how the program will be handled, who will get the business, and what will be done about agents' participation.

Assn. of Casualty & Surety Companies and members of Surety Assn. of America are regarded by observers here as having done an outstanding job in public relations, in cooperating with the House subcommittee headed by Rep. Karsten and government officials who have been working on the problem.

This view of the situation is regarded

as particularly true in view of the wide expectation that member companies of the two associations are likely to lose a considerable proportion of the business.

Under the competitive bidding requirement of the bill, with respect to premiums exceeding \$500, direct writers are expected to get a share of the business, thus cutting out agents to that extent.

Where the agents get a look-in, the big question will be what agents, and how. Local agents have sold bonds to postmasters, postoffice employes and other government personnel throughout the country. If a proposal of surety interests is decided upon, that all postmasters in any state be covered by a single bond, would agents compete for the prize, or would a company bidder single out a particular agent to get it, or divide the business among its agents in that particular state, for instance?

Insurance industry representatives don't know, government people don't know, and observers doubt that company or association executives know, how such matters would be handled. Results will be awaited with interest, if the bill becomes law.

The bill recommended by the Karsten subcommittee and the House expendi-

tures committee apparently gives "appropriate officials of the legislative and judicial branches" considerable latitude. Under regulations to be issued by the Secretary of the Treasury, they "may" obtain "blanket, position schedule, or other type" of bonds covering their officers and employes required to be bonded.

The heads of government departments and independent establishments, however, "shall" do so, with respect to civilian and military personnel. All bonds shall be of the "most economical type," may cover a two-year period, and none may be bought at a premium rate per individual more than 35% in excess of the rate for comparable coverage during 1908.

Premiums would be paid out of appropriations for administrative expenses. Bonds shall be renewed at least every four years, but may be oftener. There is a limited prohibition against officers having approval of bonds, exacting that they shall be furnished "by a guaranty company or by any particular guaranty company."

The bill defines "faithful performance of duties" as including "the proper accounting for all money or property received by virtue of the bonded persons' positions or employment and all responsibilities and accountabilities imposed by statute or regulation issued pursuant thereto."

Mass. House Votes for All-Private Disability Bill

The Massachusetts monopolistic state fund disability benefits measure met its first defeat in the house last week when the bill was sidetracked by a vote of 119 to 106 in favor of a voluntary program to be handled entirely by private companies.

It is understood the strategy will be to make a final attempt to secure a substitution of the monopoly bill, and then present a compromise competitive state fund measure of the California type.

Massachusetts employers are strongly against the compulsory law, and some life companies take the same stand. The casualty men apparently favor the all-private type bill.

Under the terms of the bill now up for consideration, workers would be given the right to vote on the adoption of a disability plan, and if 75% are for it, the employer would be compelled to provide coverage with benefits ranging from a minimum of \$10 to a maximum of \$25 a week for 26 weeks, with a one week waiting period.

Administrative costs would be borne by assessments on the companies. A director and several assistants would be named to supervise elections and act as a board of review in appeal cases.

Assn. Steering Group Named

The new executive committee of Assn. of Casualty & Surety Companies has been announced by Joseph F. Matthai, vice-president of U.S.F.&G. and president of the association. On the committee are Aetna Casualty, Bankers Indemnity, Employers Liability, Fidelity & Casualty, Fidelity & Deposit, General Accident, Great American Indemnity, Home Indemnity, Indemnity of North America, London Guarantee, Maryland Casualty, Massachusetts Banking, National Surety, Ocean Accident, Royal Indemnity, Standard Accident, Travelers, and U. S. Guarantee.

Other members are J. Arthur Nelson, chairman of New Amsterdam Casualty; R. V. Goodwin, vice-president of Fireman's Fund Indemnity, and W. E. McKell, president of New York Casualty. All three are past presidents of the association. Ex-officio members of the committee are Mr. Matthai, Manning W. Heard, vice-president of Hartford Accident, and vice-president of the association.

W. A. Myers on July 1 will become associated with Elmer W. Armstrong in the Armstrong agency at Monroeville, O. The name will be changed to Armstrong & Myers.

RATING QUESTION

Can Insured Get Retroactive Rate Refund?

The question of whether a rate can be retroactively adjusted and companies required to return part of a premium to an insured will be taken up at a hearing at the New York department June 23 where Deputy Superintendent Roy McCullough will preside. The result may affect rating practices in fire, casualty and surety lines.

The hearing was requested by New York Shipping Assn., which contends that compensation insurance rating board erroneously charged too high a rate on stevedores from 1948 to February, 1950. The shipping association is seeking a return of a surplus premium of about \$1 million. The situation arose when a 41% increase in compensation rates on stevedores in New York harbor was requested by the board in 1948 to meet an amendment to federal and state workmen's compensation laws which increased benefits. The association contends that average benefits did not go up as much as the rate increase contemplated.

The rate was in effect until February, 1950. Several months earlier the board asked for an increase of 21% in compensation rates and when the shipping association objected the increase granted was only 7.7%. The rates of the board were approved each time by the New York department.

Allege Rate Making Error

The shipping association's contention is that when the second rate increase was cut from 21% to 7.7%, errors were found which removed the basis for the increase that had been made in 1948. Consequently the shipping association wants returned to it all excess premiums that it paid.

The coverage is spread among 20 companies and three or four carriers have the bulk of it. The state fund has only a very small percentage. The state generally doesn't write compensation on the stevedores because federal jurisdiction is involved.

Some consider that a major question in rating law philosophy is involved in the attempt of an insured to collect a refund on the basis of a reduction in rate. If companies thought that rates, which have been approved by the board and by the department, would later be subject to reduction and premium refund it is doubtful that they would be interested in writing business. Particularly they'd hesitate before writing poor risks without an adequate premium.

The law committee of the board is studying the problem. The attorney for the association is the New York law firm of Lorenz, Finn & Lorenz. Attorney Alfred A. Giardino of that firm is handling the case.

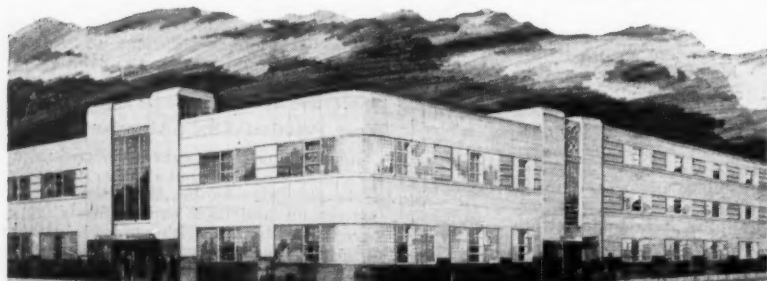
Moore-Rutledge Adjustment Co. of Houston has moved to 3217 Montrose Blvd.

Jailed for Refusal to Pay B.C. Hospital Premium

In Victoria, B. C., a woman has been sentenced to jail for failure to pay an insurance premium. Judith Stoddard was incarcerated for three days for failure to pay a premium on the British Columbia compulsory hospital coverage. She was ordered by a local magistrate to pay the half-year premium of \$10.50 plus a fine of \$5 and upon refusal to pay was put into jail.

Government officials have held that one of the reasons why the plan lost several million dollars last year was that there was difficulty in compelling the British Columbians to pay their premiums.

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ROCK ISLAND



ILLINOIS

N. Y. Surety Group Makes Hit with Service Club Talks

NEW YORK—Surety Managers Assn. of New York City has acquired a national reputation in recent months. Some time ago it conceived the idea, as the result of an experience of John P. Madigan, Maryland Casualty, who had to make an emergency talk, of having several of its interested members prepared to give discussions of employee dishonesty before Kiwanis, Rotary and similar groups.

Up to date almost 50 talks have been given, and the program is to be continued. As a result of interchange of information by those who have heard the talks, surety men in other sections of the country, including as far away as the west coast, have had requests from service club members for similar talks before their groups. The inquiries became so frequent that those who had been making the appearances recorded their talks on material that could be mailed. In addition, through Surety Assn. of America, other surety groups were apprised of the methods the New York group used for handling requests for talks, etc. Indications are that other surety manager groups will launch similar projects.

Same Basic Material

Basically the talks cover employee dishonesty, how it can impair capital, etc. The theme is: "If this kind of loss can happen to conservative, well managed business concerns, and it has happened, then it can happen to you—and will." It is emphasized that such losses cannot be eliminated and then there is some discussion of coverages.

Kenneth H. Wood resident secretary of U.S.F.&G., last week gave his talk before the Kiwanis Club of Staten Island and received a fine reception. This is the story of all of the talks. Each man who is doing the speaking has developed his own presentation, covering the same general information. These include W. R. Ehrmanntraut, American Surety; Harry Schmides, American Surety; William A. Norris, Jr., Fidelity & Deposit; G. E. Conrath, American Associated; Peter Zimmerman of the Surety Assn. of America; William Purcell, National Surety.

So far most of the talks have been before Rotary and Kiwanis Clubs. The group has not had time to get around to other service organizations such as chambers of commerce, luncheon clubs, etc., although they expect to do so.

Insurers on Lobby List of Investigating Committee

WASHINGTON—Assn. of Casualty & Surety Companies, American Automobile, and Manufacturers Mutual Fire are on the list of 166 corporations under investigation by the House lobby investigating committee. They have received questionnaires asking for detailed information on their expenditures to influence legislation and related matters.

The questionnaire is a long and involved affair requiring detailed breakdowns on such items as cost of maintaining Washington offices, travel to and from the city, newspaper advertising, payments for attempts to "influence directly or indirectly" passage or defeat of legislation, etc. The committee wanted all the questionnaires answered by June 15.

Use of Truck to Haul Picnic Party Not Barred

The exclusion of liability while the automobile is used as a public or livery conveyance in an auto B.I. policy does not, according to Maryland court of appeals in Stanley vs. American Motorists, erase the coverage for an accident caused by the insured's truck while be-

ing used to transport club members of the insured to a picnic.

Insured was Sebastian John Pfeiffer. The picnic ride took place July 4, 1948. Transportation tickets were sold for the aggregate sum of \$18 which was paid to the driver of the truck who was an employee of the insured but was not acting as agent or servant, or on behalf of the insured in transporting people on the picnic.

This was the only time any persons were ever transported for hire in this truck.

The higher court said that the one isolated instance of the use by the driver

for compensation was not a holding out to the public of the truck as a public or livery conveyance.

American Motorists' counsel said that the exclusion clause had been narrowed to its present form so as not to exclude "sharing the ride" which was encouraged by the government and virtually compelled by gasoline rationing. Previous to that "the carrying of persons for a consideration" barred protection.

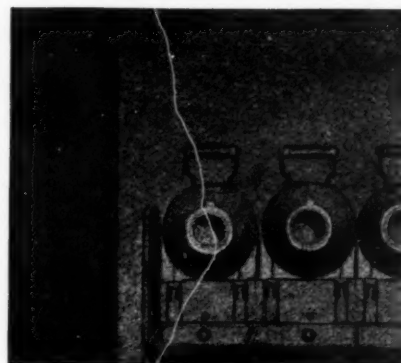
Holland Tunnel P.D. Payment

Port of New York Authority has settled for \$300,000 its claim for property

damages in the Holland Tunnel explosion last year. Claims were against Boyce Motor Lines of Canandaigua, N. Y., and the J. T. Baker Chemical Co., Phillipsburg, N. J. The Boyce firm paid \$50,000. The authority had sued for \$800,000.

The explosion injured 66 and closed the tunnel two days. A truck owned by the Boyce line carrying carbon disulphide from the Baker Co. blew up in the tunnel enroute to New York City.

Since the death of John F. Flinspach of Germantown, O., management of the agency has been taken over by his brother, Harry Flinspach.

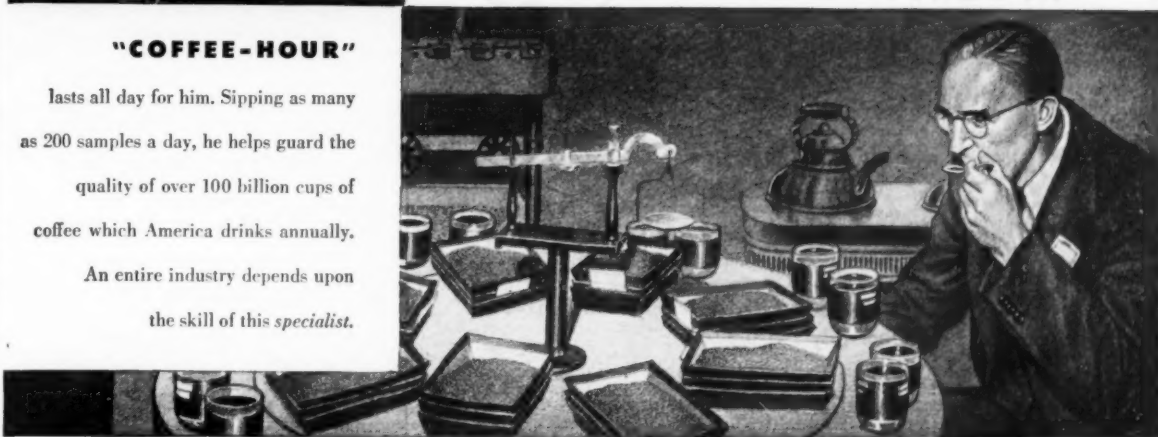


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FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

Hold N.A.I.C. Annual Meeting at Quebec

(CONTINUED ON PAGE 11)

because they say that if any departure from market values were adopted for one segment of the business it would sooner or later be extended to the other. They cite the fact that bond amortization was once exclusively for life companies and now goes across the board.

Frederic Ecker of Metropolitan Life appeared at the securities valuation committee meeting armed with an interim report as chairman of an industry committee on this subject and prepared to make a presentation of about an hour. However, the fire and casualty people objected to his doing so on the ground

that they had not prepared an adversary argument in a formal way. Thus Mr. Ecker was foreclosed from speaking and the decision was that the industry committee should hold one final meeting in a last attempt to reconcile the differences and failing in that should report to the commissioners their inability to come to an agreement and an official explanation of the controversy.

Mr. Ecker remarked that the matter of an average valuation for preferred stock has been pending for many years and today the life people feel more strongly about it than they ever did.

The all-industry committee, Dineen of New York explained, was set up by President LeRoy Lincoln of Metropolitan Life.

Mr. Ecker said that he felt it would be wise to tell the commissioners at this time about the differences and ask their advice on how to proceed from here. He said there appears little possibility of bringing all segments of the business into agreement and if that can't be accomplished the life people would like to proceed on their own.

A spokesman for National Board of Fire Underwriters said his group is not able to agree with the life people because the life proposal would entail an enormous revaluation of the securities of fire companies. Ray Murphy of Assn. of Casualty & Surety Companies, said his people had not had an opportunity to prepare for debate.

Mr. Ecker interjected rather tartly that he didn't regard his intended report in the nature of a debate. He simply wanted to take the commissioners behind the scenes and outline to them the dilemma.

Mr. Dineen said that at one of the meetings Paul Rutherford, president of Hartford Accident, said that an averaging scheme would make investments in equities so attractive to life companies that this would shrink the investment opportunities for fire and casualty companies. He asked Mr. Murphy if that consideration were "still in the picture."

The reply was that this is still one of the considerations, but Mr. Murphy insisted that the opposition should be given an opportunity to organize its presentation.

Mr. Ecker reiterated that there was no expectation on his part to debate the issue or to force an impression on the the commissioners favorable to the life company position or unfavorable to the fire and casualty people.

Scheme Life People Favor

It is understood that the scheme now favored by the life people is a 40-year amortization period for preferred stocks that are backed by sinking funds, and that for other types of equities there is desired a five-year moving average plus the maintenance of a contingent fund by interest earnings in excess of 3% to be built up in bull markets and taken down when the bear thesis prevails. Mr. Dineen explained it as amortizing up or down to interest yield so as not to fluctuate with the market.

The committee took favorable action on two matters that were not acted upon at the May 16 meeting. One was to admit under the formula for determining allowable values loans secured by first liens on interests in oil and gas producing properties in Canada as well as in the U. S. Dineen spoke favorably on this, saying the commissioners should not do anything that could be interpreted as throttling the development of the great oil industry.

Substitute "Reserve Liability"

The other change was to substitute the words "reserve liability" for "not admitted asset" in the section concerning the carrying of Canadian assets and assets payable in foreign currency which can be disposed of in such foreign country and applied to discharge liabilities outstanding against it in such foreign country.

Mrs. Frank Sullivan, wife of the Kansas commissioner, tripped and fell in a corridor of the Chateau Frontenac at Quebec, Sunday, the day she arrived there for the commissioners' meeting. She suffered a broken wrist but was able to be released after a day in the hospital.

Hold Annual "Fun Day"

Ninety-nine members and guests attended the annual "day of fun" of Casualty Underwriters Assn. of New Jersey, at Canoe Brook Country Club, Summit, N. J.

Among the golf prize winners were Thomas Maddans, Glens Falls; John Nolan, Aetna Casualty; Joseph Comerford, Maryland Casualty; Nelson Padgett, Car & General, and J. C. Eastmead, Hartford Accident.

Convention Dates

June 20-22, Wisconsin Fire Underwriters Assn., annual, Maxwellton Braes, Bailey's Harbor.

June 20-22, Michigan Fire Underwriters Assn., Ramona Park Hotel, Harbor Springs.

June 21-23, Maryland Assn. of Insurance Agents, summer convention, George Washington hotel, Ocean City.

June 21-22, Minnesota Field Clubs, joint annual meetings, Pine Beach Hotel, Brainerd.

June 21-22, Tennessee Fire Underwriters Assn., annual, Lookout Mountain Hotel, Chattanooga.

June 21-22, Kentucky Fire Underwriters Assn., Fire Prevention Association, and Blue Goose, Kentucky Dam Village, Gilbertsville.

June 22-24, Georgia Agents, annual, General Oglethorpe Hotel, Savannah.

June 22-24, National Assn. of Independent Adjusters, annual, French Lick, Ind.

June 26-30, International Assn. of A. & H. Underwriters, annual, Detroit.

July 6-8, International Assn. of Insurance Counsel, Greenbrier hotel, White Sulphur Springs, W. Va.

Aug. 8-10, Grand Nest of Blue Gooses, French Lick Springs, Ind.

Aug. 14-16, International Federation of Commercial Travelers Insurance Organizations, Lake Louise, Alberta, Can.

Aug. 24-25, Minnesota Agents, annual, Hotel Nicollet, Minneapolis.

Sept. 6-8, C.P.C.U., annual, Cleveland.

Sept. 10-12, Montana Agents, annual, Billings.

Sept. 10-12, Pennsylvania Agents, annual, Bedford Springs Hotel, Bedford.

Sept. 14-16, Washington Agents, annual, Spokane.

Sept. 14-16, Federation of Insurance Counsel, annual meeting, Atlantic City.

Sept. 18-20, International Claim Assn., Greenbrier hotel, White Sulphur Springs.

Sept. 18-20, American Bar Assn., insurance section, Willard hotel, Washington, D. C.

Sept. 20-22, Oregon Agents, annual, Portland.

Sept. 22-23, Utah agents, annual, Hotel Utah, Salt Lake City.

Sept. 24-27, International Assn. of Casualty & Surety Underwriters and National Assn. of Casualty & Surety, White Sulphur Springs, W. Va.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Sept. 25-27, Bureau of A. & H. Underwriters, annual, Sky Top Manor, Pocono, Stroudsburg, Pa.

Sept. 25-27, Idaho Agents, annual, Sun Valley.

Sept. 25-26, New Jersey agents, annual, Hotel Claridge, Atlantic City.

Oct. 3-5, National Assn. of Insurance Agents, annual, Stevens Hotel, Chicago.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, N. Y.

Oct. 12-13, South Carolina agents, annual, Columbia Hotel, Columbia.

Oct. 16, Rhode Island Assn. of Insurance Agents, annual Sheraton-Biltmore Hotel, Oct. 16.

Coates Joins Snyder Bros.

LOUISVILLE—Aaron T. Coates has been named general manager of Snyder Brothers general agency. Until recently he was assistant secretary and southern manager for Rhode Island, with headquarters at Atlanta.

Baltimore Binder Club Elects

Binder Club of Baltimore has elected these officers: President, Albert R. Cable; vice-presidents, Arthur F. Timmins, Eugene W. Test and Michael O. Dakin; secretary, Harry C. Blohm; treasurer, J. George Eisenberger.

The home office choral group of National Union Fire climaxed an active season with a show for patients at Hawthornden state hospital near Cleveland. The group is directed by John W. Lowther, well-known Pittsburgh musical director.

General Adjustment Bureau held its annual meeting of managers at White Sulphur Springs last week.

Loss Executives Assn. will hold its annual meeting June 28-29 at Hershey, Pa.



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CHANGES IN CASUALTY FIELD

Standard Accident Promotes Three at Detroit Branch

C. L. Miller, Detroit manager of Standard Accident, has been made resident vice-president in charge of general operations of the branch. In addition he has been made resident vice-president of Planet, the fire and marine affiliate.

Albert A. Clark, manager of the bonding department at Detroit, has been made resident vice-president in charge of bonding. He will continue as associate branch manager at Detroit for Planet.

Frank W. Locy, who has been assistant manager at Detroit for Standard Accident, has been advanced to manager, and will act in a similar capacity for Planet.

Mr. Miller started with Standard in 1927 after attending the University of Michigan. In 1928, after underwriting service at the home office, he was appointed special agent at Detroit. In 1935 he was made associate manager and in 1938 manager. He is a past president of Casualty & Surety Executives Assn. of Michigan.

Mr. Clark joined Standard in 1925. He was appointed bonding manager at Detroit in 1928. He is a graduate of the University of Michigan.

Mr. Locy joined Standard Accident in 1927. From 1927 to 1935 he worked in the risk experience, auditing and safety engineering departments at the home office. In 1935 he was made cashier at Detroit and became special agent in 1937. He was made assistant manager in 1945.

Two New Vice-presidents Named by Markel Service

Forrest S. Smith and Charles R. Ray, who have been elected vice-presidents of Markel Service, have been active in that organization.

Mr. Smith, general claims attorney since 1936, will be in charge of all claims, and Mr. Ray will continue his work in the fields of safety engineering and public relations. Markel Service is the underwriting and service organization for American Fidelity & Casualty.

Mr. Smith started with Union Indemnity of New Orleans in 1928 as claims manager at Indianapolis. In 1931 he became a claims attorney for Markel at the home office and was made general claims attorney in 1936.

Mr. Ray during the war served as a representative of industry on the war manpower commission. He is an associate member of Society of Automotive Engineers.

Names 2 Claims Managers

Two new claims managers have been appointed and a new claims office opened by Manufacturers Casualty.

Duane A. Polley has been placed in charge at Grand Rapids and will supervise claims throughout the state, including the new office just opened at Detroit. Scott Evans has been named manager at Harrisburg, Pa., servicing central Pennsylvania.

Mr. Polley for three years has been with Ohio Casualty at Grand Rapids. He served in the air force during the last war. Mr. Evans has been in insurance 10 years, starting as a claims adjuster and later becoming a special agent. He is an army veteran.

Travelers Names 13 Assistants

Travelers has transferred Marvin C. Plock, assistant manager at Des Moines, to the same post at Houston.

Designated field assistants are: William T. Cooper at Los Angeles; William T. Fuller, Omaha; Harold B. Fletcher, Nashville; Leslie N. Dow and Roland

N. Seaton, Jr., San Francisco; John C. Field, Manchester, N. H.; Jack L. Mandeville, Oklahoma City; Harry B. Stringer, St. Louis; Frederick D. Herlihy, Boston; John O. Evans, Toledo; Robert W. Hansen and Gordon P. Small, Hartford and Edward A. Shiver, Atlanta.

Francis, Pinkston Elevated

Manufacturers & Merchants Indemnity has promoted F. Kenyon Francis, formerly at the St. Louis branch, to manager at Detroit and E. G. Pinkston, formerly at the Louisville branch, to manager at Indianapolis.

Appointed Atlanta Manager

W. Patrick Locke has been appointed Atlanta manager of the State Farm group. He is a navy veteran. He entered the business in 1940 at Birmingham.

Appointed Safety Engineers

Fred A. Manuele and Harry F. Schenck have been named safety engi-

neers at New York by Standard Accident. Mr. Manuele has been a safety inspector for Cosmopolitan Mutual Casualty. Mr. Schenck was formerly a fire engineer for Great American.

F. & D. Elects J. M. Grant Assistant Secretary

James M. Grant has been elected an assistant secretary of Fidelity & Deposit.

Mr. Grant was promoted last month to assistant manager at New York. He had been manager of the burglary department there and has been with F. & D. at New York since 1934.

Kolkmeier to Miami Insurer

Joseph Kolkmeier, who has been an examiner for the Florida department about two years and before that with the Ohio department, has become general chairman of Public National of Miami.

Glendenning Home Ind. Director

Home Indemnity has elected John Glendenning, vice-president of the fire company in charge of the east, a director along with Frederick B. Adams of Atlantic Coast Lines.

ACCIDENT

Mass. Protective G. A.'s Meet at Wisconsin Resort

Representatives of Paul Revere Life and Massachusetts Protective attended a sales conference at Winter, Wis., in the northern Wisconsin resort area, sponsored by F. W. Quade, Wausau; A. A. Baker, Green Bay; H. G. Bronson, Madison, and Lester Ellis, Milwaukee, Wisconsin general agents. Speakers from the home office were Robert Hallack, vice-president, and E. E. Morrow, assistant to the agency vice-president.

Burke Des Moines President

Francis W. Burke, North American Life & Casualty, has been elected president of Des Moines Assn. of A. & H. Underwriters. G. French Payton, Pacific Mutual Life, is vice-president; Paul Seltz, Des Moines Casualty, secretary.

Chicago Claim Assn. Elects

Chicago Claim Assn. has elected these new officers: President, Allen Geflinger, North American Accident; vice-presi-

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dent, Edwin A. Ruehrdanz, Retail Credit Co.; secretary, J. Vincent Parker, United; treasurer, Clyde D. Zimmerman, Continental Assurance; executive committee, George M. Kae, Metropolitan Life; Wallace Graham, Hooper-Holmes Bureau; Lee H. Olson, Washington National; Hiram A. Baker, Prudential, and Kenneth L. Merley, Federal Life.

Siegner New President of Milwaukee A. & H. Group

MILWAUKEE — Officers elected at the annual meeting of A. & H. Underwriters of Milwaukee are: Alex H. Siegner, Business Men's Assurance, president, to succeed E. L. Jung, Old Line Life; Clifford C. Raisbeck, Washington National, and Thomas E. Callahan, Time, vice-presidents; Maurice G. Olson, Continental Casualty, treasurer, and Leo E. Packard, Loyal Protective, reelected secretary for the 14th time.

Directors are N. E. Doyle, North American Life & Casualty; J. H. Doonan, Loyalty group; E. J. Kraetsch, Provident Life & Accident; W. S. Leighton, Massachusetts Indemnity; S. L. Horman, Time; Robert G. Morris, Loyal Protective; G. Verne Randall, Wisconsin National Life, and W. E. Thayer, Federal Casualty.

Alfred K. Perego, Wisconsin National Life, was chosen delegate to the International association convention, with Gilbert A. Diehl, Business Men's Assurance, as alternate.

Decide on Gordon Award

The executive committee of Chicago A. & H. Assn. has just concluded consideration of the 56 nominations for the Harold R. Gordon Memorial Award.

Irving G. Wessman, Loyalty group, immediate past president of the association, will announce the 1950 winner of the award, who becomes the "A. & H. Man of the Year," at the convention of International Assn. of A. & H. Underwriters June 29.

The 1949 recipient was E. H. O'Connor, managing director of Insurance Economics Society.

Reception for Women's Officers

A reception and dinner for the new officers of the women's division of Chicago A. & H. Assn. will be held June 15. The secretary and treasurer will report on 1949-1950 activities. The colored film, "Middle America," will be shown.

Mrs. Maryland Hull, Zurich, retiring president of the women's division, gave a card party at her home for the officers who served the past year: Mrs. Gladys

Berger, Combined; Miss Veronica Cardott, Provident L. & A.; Miss Carrie Grae, Hooper-Holmes; Miss Ethel Johnson, North American Accident, and Mrs. Mary Miller, Employers Liability. Additional guests were Miss Marie Meade, H. & A. Underwriters Conference, and Miss Lee Saharack, Associated Agencies.

Boxer Cover in Conn.

HARTFORD—A plan which insures boxers against financial loss arising from injuries while fighting in a scheduled bout sponsored by a licensed boxing club in Connecticut became effective last week. The plan underwritten by Hartford Accident, provides \$2,500 for accidental death; a similar sum for the loss of hands, feet, or eyes, with subsequent reduced benefits for loss of one member or one eye; \$500, with \$10 deductible, for hospital, doctors' and nurses' bills for death or injuries sustained in the ring.

Cost of the insurance is \$1 for four or fewer scheduled rounds; \$1.50 for more than four, not more than eight; \$2 for more than eight. The boxer's manager pays the premium.

Enters Five More States

Provident Life & Accident has been licensed in Nevada, Arizona, Utah, Rhode Island, and Wyoming.

Entry into these additional states increases its territory to 43 states and Canada.

Webb to Des Moines Agency

Clyde W. Webb has retired as general agent at Cedar Rapids, Ia., for Massachusetts Protective and Paul Revere Life. He has joined the Don Ellis agency at Des Moines.

Brink Agency Open House

The Earl B. Brink agency of Detroit will hold a cocktail party and open house the afternoon of June 16 in its own new building at 1260 Library Place to honor home office executives, including V. J. Skutt, president Mutual Benefit H. & A.; George J. Cleary, president United Benefit Life; H. C. Carden and Warren Huggins.

"Specialize," Edwards Urges

At the June meeting of San Antonio Assn. of A. & H. Underwriters, Elmer J. Edwards, manager of the A. & H. department of the Coleman & Co. agency, said he has never sold any other type of policy than A. & H. He emphasized that the man who desires

to succeed in selling that coverage must specialize. Mr. Edwards said 50% of his agency force is composed of women and that 50% of the A. & H. insurance now sold by his agency is sold to women.

He declared that no man or woman has enough accident insurance and that it is not possible for them to have enough.

Howe Joins Lebby Agency

LOS ANGELES—Dale Howe has joined the W. E. Leby A. & H. general agency as agency supervisor. He formerly was with Bankers Life of Iowa at the home office and recently was with Continental Casualty, the latter part of the time in the Pacific Coast department office at Los Angeles.

He is a graduate of Iowa State University, and later studied at University of Washington and University of California. He is a war veteran.

Plan for A. & H. Cruise

Plans for the lake cruise of International Assn. of A. & H. Underwriters were outlined at a luncheon of the Detroit association this week. Movies were shown of the area to be covered on the cruise.

Boston Hears Fire Man

At the Boston Accident & Health Assn. June luncheon, Herbert L. McNary, executive manager of the Boston Board of Fire Underwriters, spoke. Harry C. Hawthorne, secretary of the association, was elected a delegate to the International association. The Boston association is planning a sales congress this fall.

Gordon McCown Associates, general agents for Mutual Benefit H. & A. and United Benefit Life in New Hampshire and Vermont, is celebrating its 10th anniversary. The agency during 1949 wrote \$1,167,670 in total premiums compared with \$55,000 in its first year.

SURETY

Sureties Sue Construction Firm for Abandonment

LOS ANGELES—Surety companies have filed bankruptcy proceedings in the U. S. district court here against the V. O. Brunzell Co., following abandonment by the company of three school contracts in this vicinity, apparently be-

cause of the death of the principal owner of the company, V. O. Brunzell.

The jobs abandoned are the Westchester school in southwest Los Angeles, a \$960,000 job, which is approximately 22% completed; East Los Angeles Junior College stadium, a \$897,372 job, 43.8% completed, and the Hastings school in Pasadena, \$264,415 job, 86% completed.

Continental Casualty is on the Westchester risk with some reinsurance.

National Automobile & Casualty is on the stadium risk with four coinsurers and on the Hastings risk with three coinsurers. The Hastings contract has been sub-let by the surety to the Gallinger Construction Co.

Probate of the estate of V. O. Brunzell appraises its value at \$100,000.

Joint Golf Outing Set

Surety Underwriters Assn. of Milwaukee and Chicago Surety Underwriters Assn. will hold a joint golf outing June 30 at North Shore Country Club, Milwaukee. This is another in a series of joint meetings that the two associations have been conducting in recent years.

ASSOCIATIONS

Adjusters Hear Waters on Wrongful Death Damages

William W. Waters, trial attorney for Transit Casualty, spoke on "The Measure of Damages Arising Out of Wrongful Death Actions" at a meeting of Insurance Adjusters Assn. of Southern California at Los Angeles.

Mr. Waters mentioned four points in the rules affecting action on wrongful deaths. He declared that only one action in a wrongful death can be filed. He said that the measure of damages left to the jury is based on the pecuniary value in actual loss and the pecuniary value through loss of society, comfort, and protection to the claimant from the deceased. He gave several instances of changing values through appeals, and cited the fact that a claimant holding an interlocutory decree of divorce could recover damages despite the decree. He said that the wealth or poverty of the deceased did not enter into the matter of damages.

Chattanooga Casualty Claim Adjusters Assn. staged a barbecue at the home of Roy Smith, assistant adjuster for Travelers. Dr. Houston Price, orthopedic surgeon, discussed back injuries.

Let Dam, Military Bids

Haddock Engineers, Montebello, Cal., were low bidders for the construction of a military installation at Takotna, Alaska, with a price of \$2,636,000. Travelers Indemnity was on the bid bond.

Morrison-Knudsen Co., Los Angeles, was low bidder with a price of \$1,113,214 for the construction of the outlet work at the Jemez dam on Jemez Creek. N. M., Fidelity & Deposit was on the bid bond.

PERSONALS

The first doctorate to be granted by any university for a thesis on public relations was awarded at Columbia University to Frank Lang, research director for Assn. of Casualty & Surety Companies.

Dr. Lang's thesis, "The Application of Public Relations Management to Big Business—A Public Relations Program for Insurance," presents an objective and scientific analysis of present problems. The author of numerous magazine articles on insurance, research and marketing, Dr. Lang has been head of the association's department of research for six years. His book, "Workmen's Com-

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compensation — Monopoly or Free Enterprise? was published in 1947. The book was the first detailed account of the part played by private insurance companies in the growth and development of workmen's compensation insurance as contrasted with monopolistic state funds.

Jack Seide, president of Babaco Alarm Systems, is delivering a lecture on "The Importance of Cargo Protection" at the U. S. army's criminal investigation school at Fort Totten, N. Y. The school is for reserve officers and enlisted men from New York and New Jersey. Attending are civilian attorneys, members of the New York City and other police departments, Justice and Treasury Department agents and private investigators. Mr. Seide was asked to address the group on loss prevention because of the tremendous amount of thefts of valuable merchandise from army vehicles during the last war.

Babaco burglar alarms were used to safeguard trucks hauling atomic material for the Manhattan project.

Daniel A. O'Connor, assistant superintendent of the casualty accounting division of Travelers, recently celebrated his 40th anniversary with the company. He joined Travelers in the mail room, later transferring to the casualty accounting division.

G. Murray Seal, assistant comptroller and auditor of Maryland Casualty, was honored on his 50th anniversary with the company by a testimonial dinner. William T. Harper, president, presented Mr. Seal an antique corner cabinet. He also received a television set. Mr. Seal started as a junior clerk in the claim division, later becoming an underwriter. He also served as advertising manager and as an assistant to Presidents Stone and Burns before being named to his present post.

Raymond N. Caverly, vice-president and general counsel of America Fore, is general chairman of the midsummer meeting of the New York State Bar Assn. at Saranac Inn, N. Y. June 23-24.

New Ala. Insurer Is Reliant Mutual of Birmingham

Alabama insurance department has certificated Reliant Mutual of Birmingham. This is a casualty company writing combination automobile together with personal auto accident, comprehensive personal liability and residence theft, which all may be included in one policy.

The founder and general manager is William W. Clayton, Jr. The president and general counsel is George D. Patterson, and Thomas H. Conway is secretary-treasurer.

Mr. Clayton and Messrs. Patterson and Conway for some years have operated the Reliant agency of Birmingham. Mr. Clayton's late father was the general agent for National Life of Vermont for many years, and his brother, Charles T., is agency vice-president of Liberty National Life, while another brother, Robert S., is Memphis manager of that company.

May Eliminate Assigned Risk Surcharge in Ore.

PORTLAND, ORE.—Unless the surcharge now applied to voluntary assigned risks is eliminated, remedial legislation will be sought at the next session of the Oregon legislature, Commissioner Taylor has warned the Oregon automobile assigned risk plan. The plan previously had made an unsuccessful attempt to secure 100% cooperation of all members to eliminate the surcharge. It is understood that a few of the companies balked, which made it inoperative.

Following Commissioner Taylor's most recent warning that the 15% surcharge should be eliminated, the plan office again bulletined all of the members and announced that unless a new objection

is registered by June 20 the charge will be eliminated as of that date.

Commissioner Taylor warned that "if this treatment of the voluntary applicant is not discontinued, legislative steps will be taken which will materially affect the operation of the plan as we know it today. This same type of legislative thinking could well lead the state of Oregon into the automobile insurance business."

He said insurance companies operating in Oregon have benefited by the financial responsibility law "and I believe they are charged with the public interest and responsibility of equitably insuring people of the state. If legislation is necessary and comes to pass, I do not want the insurance companies operating in this state to say they were unaware of the situation and had not been given an opportunity to meet the requirements of the citizens of Oregon on a voluntary basis."

General Book on Safety

A book covering the principal fields of safety has just been published by J. B. Lippincott Co., written by John J. Floherty, "Watch Your Step." It is written in simple language with many examples

which Mr. Floherty gathered by actual experience under the conditions described.

The result is an interesting articulation of the simple rules of safety on the road, at home, in school and sports. Mr. Floherty rode hundreds of miles with police on highway patrol, accompanied firemen on runs, rode in ambulances to the scenes of accidents, went into the woods with expert hunters and campers to learn woodmen's safety code, accompanied officers in patrols in congested waters, etc. There is a chapter on safety in the home. There are also some excellent photographs. The book sells for \$2.75.

Testimonial for E. A. Luther

St. Louis casualty and surety men gave a testimonial dinner for Eugene A. Luther, vice-president of National Surety, who is being transferred to Chicago July 1 as vice-president in charge of the western department. Mr. Luther is a veteran in the surety field and after service with the old Southern Surety and Ohio Casualty joined National Surety in 1933. He has been at St. Louis since 1938 and was named vice-president in 1946. He is a past

president of Surety Underwriters Assn. of St. Louis and Casualty Executives Assn. there.

Ellis Carson, president of National Surety, who was a guest, told of the company's confidence in and esteem for Mr. Luther. Herbert Linn, vice-president of Central Surety, also paid tribute to the honor guest. Fred H. Doenges, Fidelity & Deposit, was toastmaster.

Mr. Luther was presented a set of matched traveling cases.

"Model" Bank Held Up

The Woodbury (Conn.) Savings Bank was held up and robbed of \$10,000 by two armed men wearing rubber noses attached to false tortoise shell glasses. The town is near Waterbury. The bank some months ago was used by state police to film a movie short demonstrating how police could foil a bank robbery in a matter of some minutes.

Thomas M. Wightman has joined Standard Accident as claim representative at Little Rock. He was formerly with Commercial Standard.

Mid-Continent of Amarillo and Guarantee of North America have been admitted to Kansas.

A copy is yours for the asking-

This new brochure outlines the profit possibilities of the "franchise" market. It also tells how you can cut the paper work for this type of business to a minimum by selling Provident's complete package.

ONE APPLICATION—ONE POLICY
and only

ONE MONTHLY PAYROLL
DEDUCTION

—to provide (1) Accidental Death and Dismemberment Benefits for the employee, (2) Accident and Sickness Disability Benefits for the employee, (3) Hospital-Surgical Benefits for the employee and his dependents. (Dependency coverage optional with the individual employee.)

BROKERAGE BUSINESS SOLICITED



PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY

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protecting provident people since 1887

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ESPECIALLY DESIGNED
FOR
EMPLOYEE GROUPS
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THE Invisible Armor of Comprehensive National Surety Protection!

Fidelity and Surety Bonds
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Liability Insurance
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Inland Marine
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USE YOUR OWN COMPANIES WHEN POSSIBLE

Otherwise Let Us Help You with Your Unusual
or Difficult Problems—



Lloyd's London

R. B. Jones & Sons Inc.

C. REID CLOON, Manager

175 W. JACKSON BLVD.

CHICAGO 4, ILL.

Building Costs Up; Air Replacement

(CONTINUED FROM PAGE 19)

is the cube foot computation reliable? Mr. Bronson said it is safer to use a builder's estimate; otherwise the agent runs the risk of incorrect insurance, especially where coinsurance is mandatory.

What does actual cash value mean in the standard fire policy? Mr. McCallum said he didn't know, that this had to be determined under specific circumstances. As a definition, he suggested replacement cost less depreciation, however caused.

An agent asked whether television antennae are building or contents loss. Mr. McCallum said insured can claim it goes with the set or that it is fastened to the building, and thus is a building or a contents item. To avoid a dispute between companies as to payment of losses of this type, the companies worked out a set of guiding principles. If insured has contents insurance and not building coverage, the contents coverage pays. If the building coverage is deductible and insured has contents cover, it is paid under the non-deductible insurance. The companies don't care, so long as the approach is uniform and insured gets paid. The object is to give him the greatest possible recovery.

Many insured believe that the adjustment should be on an actual cost of replacement basis, it was suggested. Mr. McCallum said that the public believed this because they don't think that their own things depreciate. How can this misunderstanding be corrected? Mr. McCallum thinks it is up to the agents to spread the gospel, yet he doubts if the whole public can be educated because there are not enough losses to bring that education home.

Is depreciation a matter of horse trading? No, Mr. Bronson said, it is a matter of judgment, a meeting of fair minds. The adjuster doesn't have too much trouble if he clearly explains at the outset what insured is entitled to. Depreciation, of course, is the big pitfall.

Private TDB Plans Must Meet N. J. Liberalizations

New Jersey disability benefits private plans must be modified to provide benefits at least equal to the amended state plan, according to the state division of employment security, effective July 1 when the new legislation increasing benefits becomes effective. Weekly maximum benefits were increased from \$22 to \$26 and minimum from \$9 to \$10. More than half of the privately written plans in the state must be modified to conform with the new benefit schedule.

There are 16,000 private plans covering approximately two-thirds of the wages paid. State plans provide coverage on one-third of the wages. Of the private plans, 9,000 pay less than \$26 weekly. There are 4,000 paying more than \$26, 2,000 above \$30, and 1,000 above \$36 weekly.

The 9,000 not now qualifying must file an application to modify their plans. If not, the state will require the employer to pay the increased benefits until the private plan is terminated and the employer automatically then falls under the state plan. By Aug. 15 a policy rider must be submitted carrying the statement that the new increased benefit rates will be provided.

The cornerstone was laid June 14 for the new \$500,000 home office building of Farmers Mutual Liability at Indianapolis. Harry P. Cooper, Jr., secretary of National Assn. of Mutual Insurance Companies, was the principal speaker.

Mutual Fire of Indiana, which recently was suspended because several of its agents were selling insurance without a license, has been reinstated by Commissioner Viehmann.

WANT ADS

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

FIELDMAN WANTED FOR OHIO

Have you had experience and training in the Miscellaneous Casualty lines as a Trainee, Underwriter or Fieldman? The position that we have open is that of sales work and must be filled as soon as possible. If you are really interested in improving yourself and position and can make a change in the very near future, write us and tell us all about yourself. Send picture if possible. Address A-41, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ARE YOU THE MAN WE'RE LOOKING FOR?

We want a young energetic production minded casualty executive with lots of know-how, underwriting imagination to head up our casualty department, underwrite comp. and liability.

We are one of Chicago's largest and fastest growing general agencies with a reputation for being one of the most aggressive organizations on the street.

Address A-49, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AUTO & COMPENSATION UNDERWRITER

Excellent opportunity for experienced men with expanding casualty company in mid-west. Address A-29, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

LIABILITY SUPERVISOR MATERIAL DAMAGE SUPERVISOR

Two new home office supervisory positions with an Omaha, Nebraska stock casualty company specializing in automobile lines. Do not apply unless over 30 and with some previous insurance company experience. Salary open. Address A-30, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WILL INVEST

Ambitious young executive seeking insurance agency in Chicago area. Willing to invest funds in going general insurance agency with potentialities. All inquiries will be treated as strictly confidential. Address A-35, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Attorney admitted in Wisconsin not over forty, experienced in handling all kinds of casualty insurance claims to organize and manage claim department in Milwaukee for a prominent multiple line insurance company. Replies confidential. Address A-42, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill., giving qualifications.

CASUALTY CLAIM ADJUSTERS

Wanted by progressive stock company experienced casualty claim adjusters for Southern territory. State age, experience and salary expected. Write A-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ASSISTANT CASUALTY MANAGER

Man in middle thirties to be assistant manager of casualty and surety division of western departmental office. Must have supervisory ability for office and field. Loyalty Group, Chicago, CEntral 6-8570 ask for Mr. Gee.

DBL Boom Starts in N. Y.; Some Wait for Lower Rates

NEW YORK—First signs that the disability benefits boom was starting in New York appeared this week as only two weeks remained before the July 1 deadline. Until now employers and producers have been stalling, expecting a major break in rates. A few companies have changed their rates, others have stood firm and have even bulletined producers that they did not intend to reduce rates. They urged producers not to rely on the belief that they would, and to inform employer clients that they were not going to change.

The volume of submitted business has been good but not as much as expected. Many employers were still trying to outwait companies in hope of lower costs.

Producers have been able to compare rates on the under-49-lives cases easily but on the larger groups there is still a lot of shuffling of proposals and variations in assessment charges, retentions and loadings that make it difficult to see which rate is lowest. Some companies are withdrawing certain proposals and resubmitting them on a lower cost basis to be more certain of getting the business. This has led to criticism that companies were confusing their producers and prospects.

Some companies have gone after DBL aggressively. Others have complained that the rates charged were too low and that this would prove costly in the future.

Upstate business is arriving in good volume. In that area selling has been on a personal basis under well established client-agent relationships. In New York City there is more "company" selling.

Some brokers are understood to have placed only 15 or 20% of their DBL business. Group men are concerned that a big jam will develop in the last week. Advertisements now are appearing in daily papers urging employers to decide on DBL and place their business without delay.

G. T. Wholey to New Conn. Department Post

Gerard T. Wholey has been appointed license and claim examiner in the Connecticut department. This is a newly created position, and Mr. Wholey's time will be devoted largely to work in the field, principally in the administration of Connecticut's new controlled business law, in connection with which the department has already sent questionnaires to each licensed agent and broker.

Mr. Wholey is a graduate of Niagara University. He then completed an insurance course at the University of Connecticut, and the training course at Travelers. He was with John Hancock Life and until coming with the department was with the Lester E. Young agency at Waterbury.

Mr. Wholey's father, Arthur L. Wholey, is manager at Waterbury for John Hancock and within a few years will celebrate his 50th year in insurance.

Yield Test Strengthened Further by State Officials

(CONTINUED FROM PAGE 1)

tures, and oil production loans, the unusual aspects of which, as well as their expansion created additional work for the committee. Various tables are shown which show the historical development and growth of the investment side of the business. Legislation financing the enlarged committee and its staff are described.

The problem of direct placements and valuation of securities acquired by them is mentioned at several points in the report. The committee notes that it has at times recommended a write-down in

the value of some directly placed securities after recognizing developments which in its judgment warranted such action. It says though this is in effect a substitution of its judgment for a market which is not available, that had the market been available it would have given weight to the factors considered by the committee and been reflected in the market price for the security. In practical terms the determination of value by the committee and its staff involves judgment as to "what you would have received for it in money if you had sold it," the booklet says. It says that the work of the committee requires constant vigilance and an awareness of and sensitivity to changing conditions, both as to broad economic factors and within any particular industry or company. The committee comments that the time may come when it will be called upon to value market wise all direct placements. Recently installed equipment at the New York office will now make it possible to circularize all states to apprise them of its activities.

Attacks N. J. TDB Law

The legislative council of the New Jersey Federation of Labor has filed a suit challenging the constitutionality of the private insurance features of the

New Jersey cash sickness benefits law. The suit was filed on behalf of Carl Schielke, employee of the Stacey Trent hotel at Trenton, and charges the law is unconstitutional because it delegates the power to select a private plan or the state fund to a majority of employees. The state through its attorney general will defend the law.

A majority of employees at the hotel voted in favor of private insurance and the policy was placed with Connecticut General Life. Schielke charges the deduction of 27 cents a week from his salary constitutes taking property without due process in violation of both the state and federal statutes.

To Charge for Police Use

A change has been proposed in the New York City law which would require business concerns and private industries to pay fees for use of city policemen to guard payrolls or for other special services, \$5 an hour for each policeman.

Councilman Hugh Quinn who introduced the bill said use of policemen for special services had grown up like Topsy. Civic organizations and other groups have criticized the practice as a waste of manpower. Fees, to be col-

lected by the police commissioner rendering monthly statements, would be to discourage use of policemen for these purposes.

According to observers in the burglary insurance field, business firms probably now pay out in one way or another as much as the fees would amount to. On the other hand, firms that have not purchased adequate robbery protection might be impelled by a move of this kind to do so. None of the burglary underwriters knew of any move elsewhere in the country to charge for such services.

Safety Guide for Salesmen

"Your Guide to Safety as a Salesman-Driver," another in a series of safety pamphlets, has been published by the accident prevention department of Assn. of Casualty & Surety Companies. The pamphlet has been prepared as a service to business sales management and its personnel. It is a guide for creating and sustaining interest in accident prevention. Among the subjects covered are: Hazardous situations to be guarded against by the salesman-driver; loading the vehicle; customer relations, and reporting the accident.



ONE OF 142 Quality Checks

Good quality safety glass depends upon good quality plastic. That's why we make eighteen separate checks of the ingredients that go into the plastic—then make 43 additional checks of the plastic sheet before it goes to the assembly room. In our check No. 23, for example, each batch of plasticizer is chemically analyzed before being used.

But this is only one of 142 Quality Checks and Controls. All of them are equally important to you and your policyholders—because they assure:

1. Better heat stability
2. Better light stability
3. Better strength for safety
4. Better adhesion, glass to plastic

That's why L-O-F Hi-Test is the best Safety Plate Glass you can get—anywhere. Libbey-Owens-Ford Glass Company, 965A Nicholas Building, Toledo 3, Ohio.

NO FINER GLASS THAN
LIBBEY-OWENS-FORD



BE SURE YOU GET WHAT YOU PAY FOR



There are two grades of Safety Glass—one made of polished plate glass, the other of sheet or ordinary window glass. Claim agents who are on their toes, when honoring broken glass claims, always specify Safety Plate Glass and look for the L-O-F identifying stencil on each light supplied. That assures the policyholder and your company of getting full value.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Ohio Licenses of Motors Agents Won't Be Renewed

COLUMBUS — Formal notice has gone out from the Ohio department to some 1,000 agents of Motors Ins. Co., that their licenses will not be renewed June 30. General Motors presumably will ask for a writ to compel the renewal of these licenses and that will lay the groundwork for a test of the new Ohio legislation under which the department is proceeding.

This is the legislation enacted last year under which the controlled business test that has been applicable to original licensing is extended to renewals. In other words, if an agent's business is 51% or more controlled he is liable to loss of his license. The Ohio department has determined that about 80% of the business of the Motors agents is "controlled."

Illinois Agents to Meet at Springfield Nov. 13-14

Illinois Assn. of Insurance Agents will hold its annual meeting at the Leland Hotel, Springfield, Nov. 13-14, with a directors' meeting Sunday evening, Nov. 12.

J. Oliver Orr, III, president of Springfield Assn. of Insurance Agents, will name the group of Springfield agents who will head the various convention committees.

Agent's Part in Losses Told

ST. PAUL—"The Agent's Responsibility in Case of Loss" was discussed by E. I. Peters, Minneapolis manager of Western Adjustment, at the quarterly meeting of the Insurance Agents Assn. of St. Paul. Certificates were presented to 25 men and women who have completed the N.A.I.A. course sponsored by the St. Paul association.

School Coverage Increased

MANITOWOC, WIS.—Following previous discussion and a survey by the Brennan Co., Milwaukee, the board of education has voted to increase coverage on schools and contents from \$1,800,000 to \$3 million, with 80% coinsurance. The business will be distributed pro rata among local agencies.

Brown Opens Own Office

Rodman M. Brown has opened an adjusting office at Minneapolis to handle fire and allied claims. For 14 years Mr. Brown was with Underwriters Adjusting, as resident adjuster at Grand Island, Neb., for four years and senior staff adjuster at Peoria for a similar period. He then spent a short while at the head office before being transferred to Minneapolis where he has served in both the Minneapolis and St. Paul offices.

New Monroe Assn. Elects

MONROE, WIS.—Officers elected by the recently formed Monroe Assn. of Insurance Agents are James Bray, president; Herbert Ainsworth, vice-president; and J. B. Heeren, secretary.

Promotes Traffic Safety

Michigan Assn. of Insurance Agents is promoting traffic safety throughout the state by sponsoring a motion picture trailer on "Speeders Are Losing Their Licenses."

Local associations are being asked to use their influence in obtaining maximum attendance of teachers at the teacher driver education and training

institute Aug. 7-12 at Western Michigan College, Kalamazoo.

Hear "Freedom Forum" Report

Wichita Assn. of Insurance Agents had a large turnout to hear a report on the "Freedom Forum" at Harding College, Searcy, Ark., from Hale Manuel of Pillsbury Mills.

Plans for the annual picnic June 22 were outlined by General Chairman A. E. Smoll.

New developments in fire-fighting will be outlined for Ohio fire department members at Ohio State University's short course on fire administration, which opened June 13. Enrollment of 100 fire department officers and members is expected for the four-day course.

Top of Wisconsin Insurance Agents Assn., Ashland, Wis., sponsored a civic dinner in observance of a 10-day spring clean-up campaign.

Fred N. Torrey, local agent at Hortonville, Wis., observed his 87th birthday June 4. He has operated his agency for 25 years and still goes to his office every day.

COAST

McKenzie in Pacific Coast Post for National Board

Jack G. McKenzie, former Arkansas commissioner, has been appointed assistant general counsel of National Board at San Francisco, it has been announced by J. Raymond Berry, general counsel. He will act as assistant to Frank J. Agnew, who represents the National Board laws committee in the eight western states.

Mr. McKenzie attended University of Kansas and Cumberland University, from which he received a law degree in 1926. He practiced law at Shawnee, Okla., and for five years was chief assistant and acting attorney for the fire marshal of the state.

He became a special agent of the arson department of National Board in 1927, assigned to Arkansas. In 1945 he became insurance commissioner of that state and served until 1949, when he rejoined National Board.

He served as chairman of the committee on fire prevention of National Assn. of Insurance Commissioners.

Two Panels on Insurance for Wash. Municipal Group

The annual convention of Assn. of Washington Cities at Walla Walla June 16 will hear two panel discussions on insurance.

Attorney General Troy, Corporation Counsel Van Soelen of Seattle and Joe C. Peters, Olympia, manager of the financial responsibility division of the department of licenses, will discuss various aspects of the financial responsibility law, particularly as they relate to the liability of municipalities.

Then a panel arranged by Washington Assn. of Insurance Agents will discuss the development of insurance placement programs for municipalities by local associations. The panel will

include Robert D. Williams, Seattle, association counsel; L. K. Anderson and Guy Weathers, Walla Walla agents, and J. B. Humphrey, Spokane manager for American-Associated.

Self-Insurer Proposal Bucked by Utah Agents

SALT LAKE CITY—Following a proposal that the state become a self-insurer representatives of Utah Assn. of Insurance Agents met with the legislative council's subcommittee on revenue and pointed out that not one state has adopted the self-insurance plan during the past 16 years while several others have dropped it.

Harold S. Morr, manager of Utah Fire Rating Bureau, stated that since 1946 private companies doing business in Utah have received from the state \$148,000 in premiums and paid out in fire losses \$157,000. In addition to this, Mr. Morr explained, the fire companies prevent numerous losses by exposing fire hazards through their engineering service.

The council will study the proposal before making a recommendation to the legislature which convenes next January.

Two New G.A.B. Managers

General Adjustment Bureau has named Arthur L. Marks branch manager at Reno, Nev., and Jack S. Rodgers at Redding, Cal.

Mr. Marks, who succeeds R. W. Ripley, resigned, joined G.A.B. in 1943 and has served since then at Reno. Mr. Rodgers has been with the organization since 1946 at Sacramento. A University of California graduate, he saw service in the air force. He succeeds F. A. Costello.

SOUTH

L. F. Lee to Headline Georgia Agents Program

Laurence F. Lee, president of Peninsular Life and Occidental Life, will speak at the closing session of the annual convention of Georgia Assn. of Insurance Agents at Savannah, June 22-24.

One of the program features will be an agency management forum at which C. R. Morton, Columbus, will preside. Speakers at this session will be Leopold Mothner, Augusta, "Protecting the Future of a One-Man Agency," Charles W. Cook, Moultrie, "Accounting Methods of the Average Agency," J. M. Harell, Atlanta, "Improving Office Appearance," and E. L. Cantrell, Rome, "That's Advertising."

Withdraw Bill to Change Supervision Plan in La.

BATON ROUGE, LA.—With five insurance bills withdrawn and 39 others before committees or on the calendar, the Louisiana legislature is speeding up action on a record number of proposals before sine die adjournment July 10.

The most notable action so far has been withdrawal of a measure that would have placed regulation of insurance under supervision of an insurance commissioner instead of under the secretary of state as at present. This was a victory for Wade O. Martin, Jr., who holds both offices and who was supported in his opposition to the measure by various insurance groups.

In the fire-casualty field the major accomplishment so far has been withdrawal of a bill that would have required companies to pay uniform commissions and compensation to all

agents. Louisiana Assn. of Insurance Agents succeeded in getting an amendment passed in the senate eliminating insurance from a stringent anti-monopoly bill, which is still to go before the house. A bill to increase the salary of the chairman of the casualty commission to \$10,000 has been passed by the house.

Bills opposed by fire and casualty interests include those to license fire and casualty adjusters, to bar compulsory coinsurance clause unless policy applies to property valued in excess of \$25,000, require payment of fire and tornado claims within 30 days, prohibit \$50 deductible clauses on fire, windstorm and lightning policies.

Virginia Bureau Election

Gordon Kyle, vice-president of Aetna Fire, was elected chairman and John Dillard, vice-president of Fireman's Fund, vice-chairman of the governing committee of Virginia Rating Bureau at its annual meeting. Named members of the executive committee for the coming year were E. S. Broach, Royal; S. K. Frayser, Springfield F. & M.; W. M. Goodman, Continental; George C. Henke, Virginia F. & M.; J. A. Hodges, Jr., Fireman's Fund; Richard B. Leary, Great American; S. L. Lucas, Providence Washington; J. M. Turner, American, and Hunter Van Lear, Home. Mr. Turner and Mr. Goodman were appointed chairman and vice-chairman of the executive committee, respectively.

L. O. Freeman, Jr., was reelected manager and R. P. Bell and W. C. Wood were reelected assistant managers. Herbert C. Taylor, vice-president of Home, retiring chairman of the governing committee, and William P. Hundley, Firemen's of Newark, retiring chairman of the executive committee, reported.

Godchaux & Mayer Expands

Godchaux & Mayer general agency at New Orleans has been named general agent of American Casualty. The agency in addition represents as general agent General Accident and Fidelity & Deposit.

The agency dates back to 1895 under the name of Godchaux & Mioton. Its name was changed to Godchaux & Mayer in 1912 when Harold S. Mayer, now president, purchased an interest. The agency employs 70 persons and occupies its own building at New Orleans in addition to field offices at Monroe, La., and Jackson, Miss. It handles multiple line coverage in Louisiana and Mississippi and allied lines in Alabama.

Award Five Ky. Scholarships

Scholarships in fire protection and safety engineering at University of Kentucky have been awarded to five juniors in the school of engineering. Worth \$510 each, three of the scholarships are sponsored by the Kentucky department and two by Kentucky Assn. of Insurance Agents. The Louisville Board scholarship awarded last year also covers the 1950-51 term.

Renewed for the second year, the awards were approved by Governor Clements with the intention of attracting engineering students into the fire protection field.

Alabama Claim Men Elect

At its annual meeting in Birmingham the Alabama Claims Assn. elected R. N. Bardwell, manager of General Adjustment Bureau at Birmingham, president; L. E. Hollingsworth and E. C. Sparks, vice-presidents; M. G. Cooper, secretary; R. H. Greenwood, assistant secretary; Pat J. McGeever, treasurer and C. W. Bates, assistant treasurer.



J. G. McKenzie

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Mother knows best...

today's need
for **increased**
Dwelling Contents
coverage



SHE has seen the prices of house furnishings and clothing going up . . . up . . . year after year. She knows how impossible it would be to replace the necessities and conveniences of everyday living at anywhere near the figure at which they were purchased 10 years ago, 5 years ago, even 3 years ago.

She knows how many purchases—beds, furniture, appliances, fur coats, rugs; perhaps a piano, radio or television set—have been made since Dad signed up for that last policy.

Yes, the woman of the house is your *strongest ally* in demonstrating that every home owner who has not added to Dwelling Contents coverage

recently is an **EXCELLENT** prospect for more insurance.

That there should be additional coverage is indicated by the following breakdown of the Cost of Living Index published by the U. S. Bureau of Labor Statistics.

Using 1935-1939 costs as 100, we find:

	JAN. 1, 1941	JAN. 1, 1950
Cost of Household Furnishings	100.1	184.7
Cost of Clothing	100.7	185.0

Don't pass up this opportunity to serve your clients' best interests and write profitable additional business with a minimum of effort.

National of Hartford Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
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UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

F. D. LAYTON, Chairman of the Board H. B. COLLAMORE, President

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CANADIAN DEPARTMENT

PACIFIC DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4 ILL.

485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

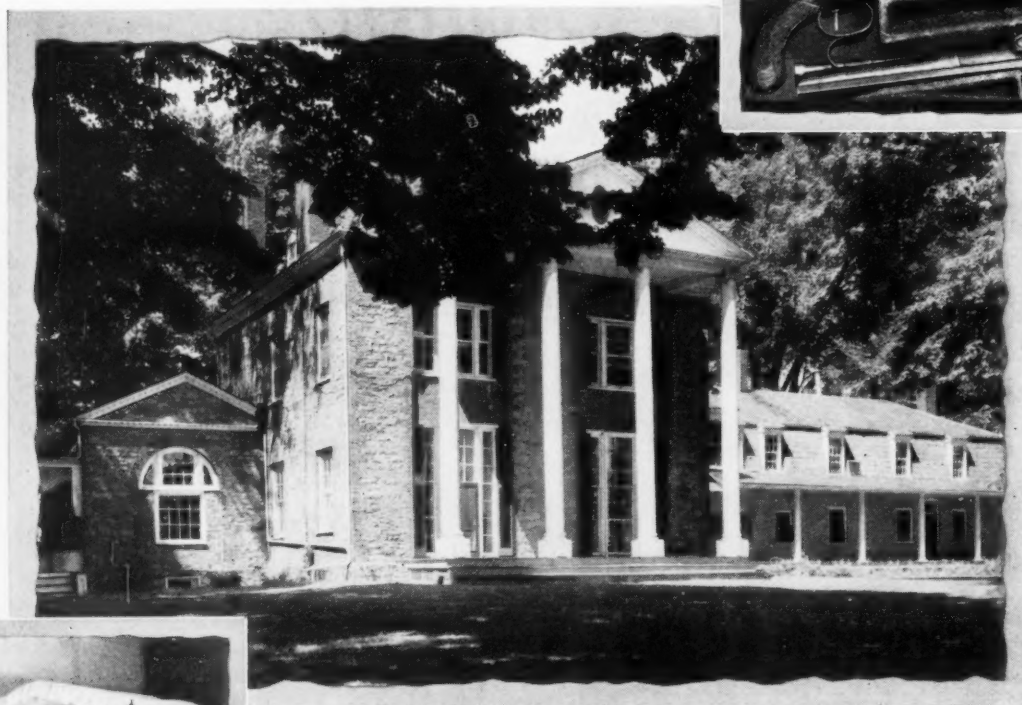
MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

BELVIDERE

OUTPOST IN THE WILDERNESS



History records the tragedy caused by this brace of pistols



Belvidere near Wellsville, N.Y., has twenty-six rooms and thirteen fireplaces



Shaving mirror belonged to doctor who attended Hamilton in famous duel

INDIANS and wild animals populated the wilderness in southwestern New York where Philip Church brought his bride in 1805. After studying law in this country and England, he had served as secretary and aide-de-camp to his uncle, Alexander Hamilton. Philip's wife was the former Anna Matilda Stewart of Philadelphia, daughter of General Walter Stewart. Though the rugged frontier life was a test of the young couple's fortitude, they quickly adapted themselves to the new conditions and played a prominent part in the region's growth and development.

The property, a vast 100,000-acre tract originally owned by Robert Morris, had been acquired in 1800 by Philip's father, John Barker Church, who gave his son half interest in return for assuming its administration. First making an exploratory expe-

dition, Philip chose the site for his farm and future home on the banks of the Genesee River. Here a sawmill and gristmill were built and then the home where he brought his bride. It was known as the White House because it was the only painted structure in western New York.

In 1810, Belvidere, the Churches' permanent home, was completed. Designed by Benjamin Latrobe, it was built of stones from a nearby creek and bricks made on the premises. Privately owned today, it is one of this country's purest examples of classic revival architecture.

The Churches maintained friendly relations with the neighboring Indians and always set aside choice farm lands for their use. Each spring the tribesmen planted corn at Belvidere, returning in the fall for the harvest. To Mrs. Church they gave the name Ye-nun-ke-a-wa, meaning "The first white woman who has come" and in Philip's absence during the war of 1812 they offered to place a guard around the house for her protection from enemy marauders.

Until fairly recent years a set of dueling pistols were among Belvidere's prized mementos. Originally belonging to John Barker Church, they were used on three occasions in which the Churches were more or less directly involved. The first was a duel between John Church and Aaron Burr, in which neither participant was injured. The second was the duel in which Philip acted as second to Alexander Hamilton's son Philip when young Hamilton was killed. The third, fought on the same spot, was the famous Hamilton-Burr duel in which Hamilton was fatally wounded.

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